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Pharmaceutical Companies Resist Patents

PY1205221694 Buenos Aires BUENOS AIRES HERALD in English 12 May 94 p 5

[Text] San Carlos de Bariloche (DYN)—If you are a Peruvian and you want to do business with the cloth dyeing method discovered by the Incas centuries ago you can't because the process has been patented by US companies, the President of the Peruvian national pharmaceutical companies association Alvaro Villalobos said yesterday.

Speaking at the XV ALIFAR Latin American association of pharmaceutical companies meeting being held here, Villalobos added that "and if we wanted to use the dyeing techniques we should have to pay royalties to these US companies."

Another odd story recounted by Villalobos is that the Nazca drawings, purported to be messages to the gods, have had a patent taken out on them in France and now no products containing those drawings can be sold in France.

These are just some of the sore points that have cropped up at the meeting of Latin American pharmaceutical companies discussing the patents issue here.

Venezuela, Colombia and Ecuador have succumbed to US pressure and have recently implemented a patents system, Argentina and Brazil however continue to show strong resistance to any system being imposed on them from abroad.

Although CILFA [Argentine Industrial Center of Pharmaceutical Laboratories], Argentina's local association of companies have resisted tooth-and-nail any efforts to impose a patents law, on this occasion they will be adopting a more moderate approach and unlike some of the extreme views being expressed by other delegations, will be seeking to get the other countries to accept the GATT's Uruguay Round proposals on the patents issue.

The GATT treaty, signed recently by 117 countries proposes a transition period of ten years for developing countries and the possibility of awarding obligatory licences so as to ward off monopoly situations.

In Argentina government officials have teamed up with senators to try and bring the patents bill currently before the Senate, into line with the GATT provisions.

Despite the fact that the US signed the GATT Treaty it has been attempting to gain further advantages as was the case with Brazil where Brazilian President Itamar Franco has promised the US that Brazil will eliminate or substantially reduce the transition period.

However the Brazilian patents bill has still not been approved by its Congress.

US pressure has also grown considerably on Andean Pact countries.

Peru has a patents law since January 1, as does Ecuador.

Venezuela adopted a law last October while Chile adopted a patents law in 1991.

However according to the head of the Chilean pharmaceutical association Jose Plubins, "the pressure being exerted by the US on Chile to change its patents law is becoming unbearable."

In Chile's case the US is attempting to extend the life of the patent from 15 to 20 years and that patenting should be retroactive by five years.

Nor does a patents law guarantee foreign investments, as the multinationals proclaim.

In Chile Pfizer, Bayer, Squibb, Schering and Parke Davies have left Chile since the patents law was implemented.

Cuba

Castro Ends Visit to Brazil After African Tour

Meets Bahia Governor

FL1205231494 Havana Cuba Vision Network in Spanish 2220 GMT 12 May 94

[Text] On 12 May, Cuban President Fidel Castro's brief stay in Salvador, Bahia State, Brazil, ended following a service stop en route to Havana at the conclusion of a trip which included Barbados, Ghana, and South Africa. Last night, Fidel was greeted at the Bahia airport by Bahia State Governor (Antonio Envasalle), Cuban Ambassador Ramon Sanchez-Parodi, and former Bahia Governor (Antonio Carlo de Malagae).

Fidel's trip began on 4 May in Barbados, where he participated in the First Small Island States Global Conference on Sustainable Development, also attended by other 16 heads of state and government. From Barbados, Castro travelled to South Africa to attend President Nelson Mandela's inauguration. En route to Pretoria, Fidel stopped in Accra, Ghana, where he met Ghananian President Jerry John Rawlings.

Receives Letter From Brazil's Franco

FL1305014494 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 94

[Excerpt] On 12 May, Brazilian President Itamar Franco sent a letter of welcome to Commander in Chief Fidel Castro Ruz, where he reiterated Brazil's admiration and friendship toward Cuba. In the letter presented to Castro on 11 May by state officials in Salvador, Bahia State, President Itamar Franco recalls his meeting with Castro during last year's Third Ibero-American Summit and stressed his delight at the prospect of meeting again at the Fourth Ibero-American Summit scheduled to be held in Cartagena de Indias, Colombia, in June.

In his reply letter, Castro deeply thanked President Franco for the warmth of the welcome and pointed out that he and his delegation feel at home in the midst of the unsurpassed warmth and friendship of the citizens of Bahia. Castro stressed that he holds the ineradicable memory of the days spent in that city which hosted the Ibero-American Summit and that this is the reason it will be a pleasure to greet Franco again in Cartagena de Indias. [passage omitted]

Delegation Arrives in Havana

FL1205233994 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 94

[Report by correspondent Gisela Bel Heredia]

[Text] Commander in Chief Fidel Castro arrived in the fatherland moments ago. Castro's trip began on 4 May in Barbados where he participated in the First Small Island States Conference on Sustainable Development. Fidel then traveled to Africa to attend [South African] President Nelson Mandela's inauguration. On a stopover in Ghana, Castro and his delegation met with Ghananian President Jerry Rawlings. In South Africa, Fidel met with dozens of people attending the inaugural in Pretoria. After the inauguration, Fidel met with Mandela and various people to discuss issues of bilateral interest. The next stop was Salvador, Brazil, where Castro met with the governor of Bahia State. The commander in chief's trip can be described as highly productive in view of the expressions of solidarity and affection toward Cuba he received at every stop.

The delegation accompanying Fidel included Rosa Elena Simeon, minister of science, technology, and the environment; and Politburo members Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, and Foreign Minister Roberto Robaina.

Commander in Chief Fidel Castro was greeted at Jose Marti International Airport by Army General Raul Castro, Politburo member Carlos Lage, and [Interior Minister] Abelardo Colome Ibarra.

Minister Without Portfolio Meets With PRC Leader

FL1205133894 Havana Radio Progreso Network in Spanish 1100 GMT 12 May 94

[Text] Qian Quichen, who is the PRC's vice premier and foreign minister, and Jose Alberto Naranjo Morales, Cuban minister without portfolio, met today in Beijing and expressed wishes for increased bilateral relations and friendly cooperation.

During the meeting, Naranjo praised the achievements of the current reform and opening processes that are under way in the PRC as well as the great progress achieved in the construction sphere.

Qian Qichen said the Cuban official's presence in Beijing will promote friendship and cooperation, and he extended greetings from Beijing's leaders to their Cuban counterparts.

Military Attache Meets With Ukrainian Officials

FL1205215394 Havana Radio Reloj Network in Spanish 1939 GMT 12 May 94

[Excerpt] On 12 May, Colonel Pedro Gonzalez Mulian, Cuba's naval and air force military attache in Ukraine, met with Ukrainian Defense Minister Vitaliy Radetsky. Cuban embassy sources confirmed that Gonzalez, who also met with Chief of General Staff (Anatoliy Lopata), visited military schools, including those where Cuban officials were trained. [passage omitted]

Congolese Minister on Cooperation Prospects

FL1205003094 Havana Radio Rebelde Network in Spanish 2300 GMT 11 May 94

[Text] Congolese Science and Technology Minister (Buenaventud Maya's) visit to Cuba continues with meetings at the Agriculture Ministry, the Finlay Institute, and the Genetic Engineering and Biotechnology Center.

On 12 May, (Maya) will fulfill his busiest agenda since his arrival in Cuba five days ago. He will participate in work meetings at the National Assembly of the People's Government, the Cuban Sugarcane Byproducts Institute, the Livestock Enhancement Research Center, and the Public Health Ministry.

On 13 May, (Maya) will meet with Ernesto Melendez, minister of Foreign Investment and Economic Cooperation. This meeting will close the visit to Cuba which (Maya) has described as productive for mutual cooperation prospects.

Budapest Mayor Seeks Cooperation With Havana

FL1105201894 Havana Radio Rebelde Network in Spanish 1700 GMT 11 May 94

[Text] The mayor of the Hungarian capital has stated that friendly ties of cooperation between Havana and Budapest, which many thought long lost in the wake of changes in Eastern Europe, can be revitalized and even expanded in the future.

This statement was made during a meeting with Cuban Ambassador to Hungary Carlos Trejo Sosa. The Hungarian mayor added that a visit of his Cuban counterpart to Budapest would greatly contribute to establishing real possibilities for cooperation between the two cities in the areas of environmental protection, transport, and others.

Crombet on Progress Report Assemblies

FL1305005994 Havana Radio Progreso Network in Spanish 1100 GMT 11 May 94

["Exclusive" interview with Jaime Crombet, vice president of the National Assembly of the People's Government, by Rosa Maria Godoy; time and place not given—recorded]

[Text] On 10 May, the process of progress reporting began with the assembly held in District No. 40 of the Camilo Cienfuegos People's Council in Santa Cruz del Norte, Havana Province. Jaime Crombet, vice president of the National Assembly of the People's Government [ANPP], participated in the assembly which was characterized by its organization, its brevity, and its search for solutions to area problems as soon as they arise. Also attending the assembly were administrative officials of the units corresponding to this People's Council, who responded to the queries of the population as necessary.

Jaime Crombet explained that during the current progress report process, efforts are being made to avoid monotony, formalisms, lengthy reports, and limited participation of the constituency—things that would block the appropriate development of these assemblies.

[Begin recording] [Crombet] We think that the progress report process is not merely a delegate meeting with his constituency. This is a dynamic, constant, and daily process, as we have seen here. This assembly is a summary, a sample of which we can take advantage not only to recount what has been done but also to project future tasks and promote collective participation in solving the problems of the community. This process also permits channeling any unresolved problem the community or district may have, if it is beyond the realm of the district, to the People's Council for resolution. In that case, of course, the delegates must take it to the Peoples' Council and then to the municipality; some are national level problems.

The people know there are many material problems for which there are no feasible solutions at this time, such as power outages, transportation, food supplies, or medicine supplies. There are many problems that are the result of the economic situation of the nation, the special period. The people, as we have seen here today, know that many problems do have solutions, and that some are subjective problems.

We need to have those problems brought up and, depending on the possibilities and types of problems, to promote solutions and the participation of the constituency. We have also encouraged taking advantage of these meetings to highlight, emphasize, and encourage the main events that have taken place in that community. References can be made to international, national, provincial, and municipal problems. We believe, however, that it is essential that the people know who are the best students; if there has been a graduation; whether there is a vanguard student; who are the most outstanding combatants; whether there are workers in the distriact who are national vanguards; who are the best sugarcane cutters; which members of the Federation of Cuban Women are going to be delegates to the municipal assembly, provincial assembly, or congress. These accomplishments of the people should be highlighted.

Tonight, we have seen here that the assembly concluded with a cultural activity, not with artists of national caliber but with amateur artists from this People's Council and activities that the people enjoy. We also saw the active participation of children; they were spontaneous and appealing. This assembly moved quickly. There is no need for assemblies to be boring. Not all assemblies have to be alike. Each community has its own characteristics; cities have their characteristics; country towns have other characteristics. We want great diversity, dynamism, and participation.

We do not want rigid formulas; above all, we want to motivate the people. We have to stimulate the people so

that there will be the utmost participation because, in these difficult times of the special period, we need the people's backing, their support for the Revolution and the measures that must be adopted. This is a process of ratification and willingness to make the sacrifices needed to preserve the main values for which we are fighting: our sovereignty, national independence, the accomplishments of socialism, and the preservation of the fatherland.

It is important, for these to become assemblies of revolutionary confirmation. The most important aspect of the assemblies, as was confirmed here, is the ratification of the willingness of the immense majority of our people to support the accords of the ANPP and the measures that, little by little, the Council of State will implement. Measures against ill-gotten wealth, against hoarders, have already been announced. These measures have the massive backing of the people. Measures will be implemented, however, that will not be so popular; some of the people will not be pleased with those measures. Therefore, what we need is for the revolutionary forces at these assemblies, those who are more aware of the facts, to explain, inform, and clarify things when a portion of our people are not fully convinced of the reasons behind each of the decisions to be adopted in compliance with the resolution of the special session of the ANPP.

[Godoy] In this process, the attendance of managers and administrators has also been stressed.

[Crombet] That is essential, and we have seen that here. When the main figures of the municipal administration, of the entities that work at the Peoples' Council level, are not present, many questions go unanswered and then the issues have to be relayed to the People's Council or municipal authorities by the delegate; thereupon the assemblies lose dynamism, efficiency, and effectiveness.

This has happened in many places. The manager of the grocery store is not present at the assembly; problems relating to the grocery store are discussed and the administrator is not present. It is essential to the quality of the assemblies that the principal figures—the school principal; the director or administrator of the daycare center; the administrator of the grocery store, or neighborhood market, or vegetable market; the butcher; the local doctor; the main administrative officials—be present.

The municipal administrative officials should organize a schedule and attend the assemblies so they can actively participate. Then, whenever proposals are made, the issues can be debated and analyzed and the possible solutions evaluated in the assembly.

This is the better way. If the problem can be solved or clarified at the assembly, that is even better. Sometimes, this type of assembly is much more efficient than those where the involved parties are not present because then the proposals must be left for later and the people are told the outcome afterwards. Sometimes the information does not arrive on time or at the appropiate time. We have seen how many of the problems brought up here were immediately discussed and solutions and alternatives found. The process becomes much more dynamic and efficient when those responsible for the things the people need to solve are present. This has to be scheduled and controlled; it is not spontaneous. [end recording]

Conditions for Seizure of Illegally Gained Wealth Set

FL1205231694 Havana Cuba Vision Network in Spanish 2220 GMT 12 May 94

[Text] Sources from the Cuban Attorney General's Office have announced that conditions have been created to implement Decree-Law 149 nationwide by means of which legal action will be taken in cases of illegal accumulation of wealth. Representatives from the Office of the Attorney General and the public administration in every province will move against hoarders by seizing their ill-gotten goods while confiscation, which will be determined by the Finance and Prices Ministry, is in process.

This launches a unique and vigorous endeavor that gives continuity to the collective efforts of the revolutionary process to preserve social discipline. Official sources have announced that the population will be informed in a timely manner of the fulfillment of this measure.

Economic Efficiency Assemblies To Begin 16 May

FL1105135394 Havana Radio Rebelde Network in Spanish 0900 GMT 11 May 94

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation, has stated that the economic efficiency assemblies that will begin nationwide on Monday, 16 May, will be an effective way to contribute to continuing the spirit and methods of the Parliaments in the Workplace assemblies.

Raul Castro Extols Internationalists, Mandela Role

FL1205000294 Havana Cuba Vision Network in Spanish 0000 GMT 11 May 94

[Excerpt] This afternoon at Havana's Granma Memorial, a ceremony was held to render homage to internationalist soldiers who lost their lives in Africa and whose deeds contributed to the South African people's victory in the recent elections.

The ceremony was presided over by Army General Raul Castro, second secretary of the Communist Party of Cuba and minister of the Revolutionary Armed Forces, who moments before the ceremony made exclusive comments for this newscast:

[Begin Castro recording] This is the most important event of the century, and Mandela—I was thinking the other day—is the greatest leader of the century. I even dare say the greatest leader Africa has had in its long history.

As you know, ceremonies such as this are being held in over 150 mausoleums nationwide as a salute to the death of apartheid; the birth of the new South Africa; and to remember our comrades whose blood and effort, as leaders of the ANC including Mandela have pointed out, were instrumental in reaching 10 May, a day such as today. This is a highly moving day for us, a day of deep remembrance and immense gratitude toward all our dead comrades. Once again, this shows that in a third country—first Angola, then Namibia, and now South Africa—the effort and the bloodshed were not in vain. They conducted the most glorious internationalist missions. I say glorious because they were probably the most selfless acts in the history of mankind, of a people toward their African brothers, a significant limb of our national identity. [end recording] [passage omitted]

EJT Role in Agricultural Production Highlighted

FL1105181994 Havana Radio Rebelde Network in Spanish 0900 GMT 11 May 94

[Text] The Youth Labor Army [EJT] has more than 100 integrated military granges because, since October 1993, many of its agricultural units have been raised to this higher system of production.

Colonel Juan Antonio Hernandez, head of the EJT's political section, has reported that more than 40 of these granges are located in coffee-producing areas, 32 in sugarcane areas, 8 in citrus fruit areas, 6 in tobacco-growing areas, and the remainder in other miscellaneous crops and reforestation areas.

As an example, Col. Hernandez said that 48 percent of the total state production of miscellaneous crops in Havana Province is done by the EJT which also participates in other agricultural plans in all provinces. Its members, now grouped into these integrated granges, have played an outstanding role in dealing with citrus trees on the Isle of Youth, which is very large, and Matanzas; with sugarcane in Ciego de Avila and Camaguey; and with tobacco in Pinar del Rio, where EJT's efficient work has considerably helped to reduce student mobilizations from the capital to western Cuba.

In August of 1993, when the EJT celebrated its 30th anniversary, Army General Raul Castro said that with the integrated granges, the EJT is climbing to a higher level, which must turn it into the most efficient group, upon its assuming full responsibility over production activity.

Roundup of Criminal, Judicial Actions

FL1205234794

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba between 25 April and 9 May.

Radio Progreso at 1100 GMT on 25 April reports that "state enterprises have become the principal supply source for the black market, not only because they handle the greatest quantity of resources but because of their lack of control over the goods for which they are responsible. To this we must add that there are also authorities so corrupt that they are capable of stealing raw materials and merchandise in order to supply the underground economy with the sole purpose of enriching themselves illegally and enjoying a lifestyle very greatly above their real means." The report refers to theft from the Detergent and Soap Enterprise, formerly Sabatez, in Cerro Municipality, Havana City Province. The Crimes Against the Economy section of the Havana City Province Police Operations Unit, upon learning that detergent had been unloaded at a residence near the enterprise, searched the home of Lazaro Ruiz Cutino, who has a criminal record and a history of terrible social conduct, and seized 40 sacks of detergent. Four enterprise workers—a warehouse inspector, warehouse chief, and two loader operators—had stolen the detergent through the negligence of the production area's brigade chief in transporting the sacks to the warehouse.

The radio notes: "In certain thefts of merchandise that have occurred at state enterprises, police investigators have verified participation in crimes on the part of people in positions of responsibility, to the sole end of illegally increasing their personal wealth." The seven citizens arrested had shared 50,000 pesos for the stolen detergent. They will be tried for the crime of serious theft. The detergent was recovered and the money seized from the defendants was turned over to the court.

Radio Progreso Network at 1100 GMT on 9 May reports that two men were arrested for trying to steal five arrobas of potatoes to sell on the black market. The men, Ignacio Andres Gorrero, manager of a grocery store that sells agricultural products, and Faustino Paz Cabrera, driver of the municipal harvesting company, were caught by the police, who recovered a portion of the stolen potatoes. The driver had already dropped off over five quintals of potatoes at the grocery store in question, to be sold by the corrupt administrator at six pesos per pound.

Dominican Republic

Haitian Crisis Viewed as 'Internal Matter'

PA1205203694 Madrid EFE in Spanish 1856 GMT 12 May 94

[By Alonso de Contreras]

[Text] Santo Domingo, 12 May (EFE)—The illegal appointment of Emile Jonassaint as Haitian president places the Dominican Government in a new, truly uncomfortable position—a vantage point from which it has decided not to meddle in the internal affairs of its neighboring country.

Today, the Dominican Government distanced itself from international criticism of the Haitian coupists for appointing Jonassaint as the new Haitian president. The

government declared this was "an internal matter" and a new twist in a crisis the Haitian people must resolve themselves.

In statements to EFE, Dominican Foreign Minister Aristides Taveras Guzman today said: "We understand the appointment... is a move by the Haitian politicians, and, as a country that abides by its government's policy, we respect the sovereignty and integrity of the people."

With the backing of the military that seized power in a September 1991 coup, Supreme Court Magistrate Emile Jonassaint assumed the presidency of Haiti on Wednesday, drawing criticism from the international community and causing fears of armed intervention from abroad.

Aristides Guzman said: "Although we have endorsed OAS and UN efforts to achieve the democratic transition of the (Haitian) people, we have always stressed, in one way or another, that the Haitians should be the sole protagonists in resolving their problems."

This position by the Dominican Government, according to what Foreign Ministry officials admitted privately, reflects their impotence in face of a Haitian crisis that has no good or acceptable resolutions from a Dominican standpoint.

The Dominican Republic is fated not to agree with but to comply with UN and OAS sanctions against the Haitian military—sanctions designed to return deposed President Jean Bertrand Aristide to power. The Dominican Republic is hoping the crisis will calmly die on its own, preferably by the end of the constitutional term of the Haitian government-in-exile, which is in February 1995.

All current developments in the Haitian crisis are threatening the Dominican Republic.

Aristide was criticized because of his anti-Dominican remarks during the seven months he was in power. The military government cannot be accepted, however, because of international opposition, and the same is true for the illegal appointment of Emile Jonaissant.

The economic embargo imposed by the United Nations and the OAS has not resolved the problem and has discredited the Dominican Armed Forces, which have been unable to prevent smuggling across the border. The new embargo, which will be implemented on 21 May, puts more responsibility on Dominican surveillance and will require additional spending. The number of Haitian exiles and refugees are increasing in the Dominican Republic, while the Dominican Government is resisting pressure to install refugee camps near the border. The Dominican Republic also has been obliged to accept international observers, who will arrive this week to oversee the fulfillment of the embargo.

All of these problems were outlined to EFE today by Deputy Foreign Minister Fabio Herrera Cabral, who confirmed the acceptance of international observers, but he reiterated that "the embargo violates the Haitian people's human rights. He also said the embargo harms the Dominican Republic in view of international accusations of "alleged violations" and by the flow of Haitians.

Herrera Cabral said the Dominican Government dedicates virtually 25 million pesos ($2 million) a month to maintaining border security.

All of these inconveniences have been heightened in the past months by the campaign for the upcoming general elections, which will be held this coming Monday in the Dominican Republic.

U.S. diplomatic sources, who chose to remain anonymous, confirmed to EFE that the Dominican Government "suggested" to the United States that it refrain from making "any move" on Haiti before the Dominican elections.

Haiti

Sansaricq Speech at 11 May Installation

FL1205204994 Port-au-Prince Radio Nationale in French 1725 GMT 11 May 94

[Speech by unofficial Senate Office President Bernard Sansaricq at the ceremony installing Emile Jonassaint as "president" at the Legislative Palace in Port-au-Prince on 11 May—live]

[Text] Mr. President of the Republic; honorable members of the legislature; commander in chief of the Haitian Armed Forces and members of the General Staff; representatives of the major organizations of the state and churches; men and women of Haiti; dear guests; ladies and gentlemen: I have the honor of speaking this morning in this august chamber, at the feet of Haiti's Declaration of Independence, to give substance to a wish—widely expressed by various sectors—to see the presidential void filled and an end to the governmental fuzziness being experienced by the country for several months now.

In keeping with our traditions and in compliance with the provisions of Article 149 of our Constitution, it is Judge Emile Jonassaint, president of the Court of Cassation of the Republic, who is vested with the provisional presidency, with the corresponding legal consequences.

Attorney Jonassaint has courageously and patriotically agreed to carry out this historic mission—one of salvation—for the Haitian nation, whose very foundations are threatened. The parliament—in recovered dignity and with the sought-after unity—will accompany him along the path to democracy for the salvation of the Haitian people.

Today, we are appointing to the State's highest office a distinguished figure who represents a number of symbolic values: the wisdom of the jurist, the noble fervour

of the courageous, the calm of the strong, the serenity of the righteous, and a nationalism that is total. [applause]

Fellow citizens inside and outside Haiti; men, women, youths, the elderly, and children of Haiti; free peoples throughout the world, Never in the tumultuous history of our country have Haitians been subjected to ravages as destructive as this weapon of war that the economic embargo constitutes.

After he was driven out of the sacred temple of representative democracy—where he sought to replace the altar of freedoms and constitutional rights with an obscure and infamous force devoted to the devil of necklacing and populist dictatorship [applause]—the apostle of hatred and division among Haitians, to put the finishing touches on his work of destroying the Haitian family and the Haitian nation, addressed foreign gods. Today, thanks to the stateless cooperation of unnatural sons of our generous nation, international infiltration has turned our society into a post-Cold War fratricidal battleground, without the slightest consideration of the essential needs of our population and in disregard of the universal rights of men and of nations.

The new international political sphere of influence resulting from the Cold War—one of lukewarm peace—anguishes us Haitians, because today, Haiti finds itself imprisoned and enslaved in the incredible, indecent U.S. gulag of a pseudodemocracy in which the murderous sounds of necklacing and machetes mercilessly suppressed the voice of the elected representatives of the people, to destroy the nascent Haitian democracy's fragile institutions.

May God spare all of America this violent and murderous pseudodemocracy, one perhaps flourishing in the slum neighborhoods of black Americans in the United States and which the President of the United States would like to pass on to us via a Black Caucus whose noble African memory seems to be forever lost. [applause]

The international community having voted everything against it except for purely and simply removing it from the face of the earth, Haiti's very existence as a free and sovereign nation is today threatened. They are threatening to use against us incendiary bombs, resembling an ocean of flames, to destroy this nation whose scrawny body consists of only a few living corpses as citizens, in a colonial economy [economie de comptoir] that has already given up the ghost. On the thermometer of the embargo, one can read—eloquently—the high, impoverishing, fever that is [word indistinct] our country.

What comfort and what glory does the U.S. President intend to obtain by launching a military attack against this country, whose entire resources remain greatly inferior to the destructive power of a single Patriot missile? Is not it reasonable to believe that the pilots in charge of creating this new Hiroshima would have to report to the head of the extremely powerful United States that their mission of extermination is impossible because they have been preceded by an economic embargo that has left Haiti a horrible desert where dead bodies, debris, and flies intermingle? [applause].

If such a great American political party is using Haiti in order to pay its electoral debt to its supporters, I dare say to the world that the trading and bargaining in democracy will not be done at the expense of freedom and rights of Haitians to self-determination because such a cross would be too heavy; such a Calvary too long for our people, who are still thirsting for real democracy and economic prosperity. [applause].

I therefore call on the head of Vatican, Holy Father John Paul II himself, to work to close this insane chapter in our national history by putting back onto the track of morality and decency the train of those leaders, traffickers in democracy, to whom we entrusted the respect of our sovereignty.

We ask the Holy Father himself to exorcize those devils of pseudodemocracy issued from the entrails of the venerable Catholic Church itself. [applause] We ask the Holy Father himself to exorcize those devils of pseudodemocracy issued from the entrails of the venerable Catholic Church itself, who would like to once more destroy human dignity under the overwhelming dictatorship of outdated ideologies.

Black people of the entire world, African brothers, see in the Haitians' current experience the fate awaiting you tomorrow, when the weapons of economic blockade, systematic slander, and organized disinformation would be honed in order to serve neo-colonialism throughout the world; wake up and say no to the current genocide in Haiti.

People of Haiti, France has once again led us to the summits of the Jura Mountains; Canada sees us only as sardines packed in cans; Venezuela has suffered amnesia; and the most powerful country on earth, the United States of America, authorizes our destruction through the napalm of the embargo, even though the entire mythology of American democracy is based—to quote Francois (Manasta)—on refusing extremes and seeking compromise, and on the triumph of good sense. [applause]

Glory and honor to former President George Bush, the late President Richard Nixon, the honorable Senator Bob Dole, former Secretary of State Henry Kissinger, the late... [pauses] the honorable Sen. (Presler), and all those lovers of freedom, democracy, and reason who still believe that in a crisis America must place itself behind its friends, not in front of them. [applause]

In this connection, I call on my country's Army to remain in the barracks, respecting the unity of command and the actions of the Army hierarchy and ever ready to guarantee public order and security. A new page of history more heroic than ever is opening up to us, and we are going to write it as much within respect for Haitian values as for the values in our Constitution.

I urge all citizens to unite, in discipline and selflessness, to defend the collective interest. Our country is in a weakened condition. The time for surrealistic and (?extravagant) demagoguery, without cohabitation and power-sharing, is past. Let us remain citizens of a free and sovereign nation, around a chief, so as together, as Haitians, determine our country's democratic future to the benefit of our people, the poorest in our hemisphere. [applause]

As long as there exists a Haiti, there will be genuine Haitians, and as long as there are true Haitians, there will be a democratic, prosperous, free, fair, and sovereign Haiti. May God protect and help us. Let Haiti be Haiti. [preceding sentence in English] As General De Gaulle advise—, wonderfully—in 1963: Stop pestering them! [applause] Thank you. [applause]

Industry Association: AFL-CIO Suit Thwarts NAFTA

PA1205141694 Mexico City EL FINANCIERO in Spanish 10 May 94 p 25

[Text] Nuevo Laredo, Tamps [Tamaulipas], 9 May—The suit filed by the U.S. AFL-CIO against Magneticos de Mexico, a Sony subsidiary on this side of the border, for allegedly mistreating its workers is an attempt to hinder the implementation of NAFTA and the potential opening of new assembly plants in the country.

Ricardo Lopez Santos, president of the National Association of the Processing Industry (Canacintra), has criticized the "obscure interests" of the AFL-CIO and U.S. congressmen who want to capitalize on the problem and thwart the trade agreement.

The AFL-CIO suit was supported by 25 U.S. congressmen, headed by Majority Leader Richard Gephardt and Majority Whip David Bonior. According to the AFL-CIO, union delegates pressured workers of the Magneticos de Mexico assembly plant to vote against their favorite representatives. This suit reportedly is the second suit filed by the U.S. labor organization since NAFTA went into effect less than five months ago.

Lopez said: "They are expressing opinions on a problem which they know nothing about. They are trying to capitalize on it to halt the trade agreement and prevent other companies from opening businesses on the border because of an apparent state of violence." Lopez said that Sony did not pressure its workers. The plant facilities were blocked due to union rather than labor-management problems.

Roundup of Electoral Developments

PA1205202294

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 21 August.

During a telephone interview, Cuauhtemoc Cardenas, presidential candidate for the Party of the Democratic Revolution (PRD), admitted that the Mexico City branch of the PRD had engaged in irregularities in nominating its candidates to the Assembly of Representatives of the Federal District. He urged those involved to respect the party's mandates, and he said the mistakes could be corrected. (Mexico City UNOMASUNO in Spanish 5 May 94 pp 1, 6)

Dr. Ernesto Zedillo Ponce de Leon, presidential candidate for the Institutional Revolutionary Party (PRI), visited Chiapas State for the second time today. Dr. Zedillo visited the town of Tapachula, where he told those present that he wants the peace agreements with the Zapatist National Liberation Army to be signed to enable them to be fulfilled as soon as possible. Zedillo said it is "unacceptable" to have so many poor people in such a rich state. "We have to achieve social justice here," according to Zedillo. (Mexico City Radio ACIR in Spanish 0000 GMT 6 May 94)

PRI candidate Ernesto Zedillo has met with representatives of the National Network of Handicapped People in southern Mexico City. The representatives denounced the lack of opportunities for the handicapped in the areas of education and employment. (Mexico City XEW Television Network in Spanish 0430 GMT 11 May 94)

The National Action Party (PAN) has asked the other eight political parties that will take part in the August elections to allow public audits of their campaign expenses, according to Felipe Calderon, secretary general of the National Executive Committee of the PAN. Calderon said the audits would serve to clear doubts over the campaign expenses of the PRI, which had reported expenditures of 24.515 million pesos as of 17 March. (Mexico City XEW Television Network in Spanish 0430 GMT 11 May 94)

Correction to Political Credibility Cited

WA1205151694

The following correction pertains to the item published in the 11 May 1994 Latin America DAILY REPORT headlined "Political Credibility Obstacles Cited," page 12:

Make subslug read...[Commentary by Colegio de Mexico international relations specialist Lorenzo Meyer] (inserting dropped last name)

El Salvador

ERP, RN Members React to FMLN Suspensions

PA1205121294 San Salvador Canal Doce Television in Spanish 0300 GMT 11 May 94

[From the "Up-to-Date" newscast]

[Text] In what is some of the first reaction to suspensions by the five groups comprising the FMLN [Farabundo Marti National Liberation Front], the People's Revitalizing Expression [ERP] described the measure as arbitrary, adding that the suspension of Joaquin Villalobos and seven deputies means their expulsion from the party. ERP Deputy Juan Ramon Medrano dismissed the decision by the FMLN leaders, saying it has no legal validity.

[Begin recording] [Medrano] We deplore the decision. Talk of suspensions amounts to talking of expulsion.

[Reporter Mario Jovel] According to Juan Ramon Medrano, the decision by the Communist Party of El Salvador [PCES], PRCT [Revolutionary Party of Central American Workers], and the FPL [Farabundo Marti Popular Liberation Forces] lacks validity because it was made without the total consensus of the FMLN. The ERP members said they did not attend Monday's extraordinary assembly because the sole purpose was to put them on trial.

[Medrano] We call on the other side to not throw a tantrum, literally, and to not put us on trial and tell us that they are going to punish us for having political differences. Instead, they should realize the political reality is different. The war ended a few years ago. Society now needs people with a capacity for understanding.

[Jovel] Medrano indicated there is no unity pact in the FMLN because it ended with the war, and, therefore, now there is a need for a new understanding.

[Medrano] An alliance pact has become necessary since the agreements were signed because, since then, we have permanently and consistently had these two-against-three divisions.

[Jovel] In the opinion of this organization, it is up to the other forces within the FMLN to decide whether they will retain a party in which the Marxist-Leninist vertical command structure prevails, which for the EPR is no longer valid, or whether they will make an alliance in which there is respect for the democratic principles of all the factions. [end recording]

The National Resistance [RN], another of the groups affected by the FMLN decision, said the suspension of eight leaders from the FMLN Political Commission will heighten the internal crisis of that leftist party. According to Eduardo Sancho, RN secretary general and former guerrilla, the measure eschews internal debate in the FMLN and limits democratic maneuvering room to redefine the party's role.

[Begin recording] [Reporter Julian Melendez] The FMLN internal debate went beyond the limits of tolerance. On Monday, 9 May, Eduardo Sancho, one of the FMLN deputies accused of treason for taking the post of secretary of the Legislative Assembly's Board of Directors, opposed the decision by the FPL, PCES, and PRCT to suspend him and six [as heard] other deputies from the party leadership.

[Sancho] The suspension lacks any legal or political validity. We will continue serving as deputies and members of the Board of Directors. I believe the FMLN has fallen under the control of a very conservative view.

[Melendez] Hours earlier, Sancho, accompanied by RN leaders, said the FMLN problems are based on its lack of identity, but never on disciplinary aspects. In the former guerrilla's opinion, what is at stake is the democratization of the FMLN.

[Sancho] I believe this is not the way to democratize a country. A country is not democratized with those kinds disciplinary measures. That is no the way to teach a people who must get ready for big debates on the nation's problems.

[Melendez] The splintering within the FMLN grows every day, but nobody wants to emerge from the crisis as a loser. The five leftist parties are betting that they will maintain the representation of the party. [end recording]

Villalobos on Removal From Commission

PA1305003194 San Salvador Canal Doce Television in Spanish 0300 GMT 12 May 94

[Report by Gandhi Montoya; from the "Up-to-Date Newscast"]

[Text] Joaquin Villalobos, one of the eight FMLN [Farabundo Marti National Liberation Front] leaders separated from their post by the party's national council, said that he will not heed the resolution and that he will continue to work as a leader because he considers the measure applied by three of the five organizations that make up the former guerrilla organization to be illegal.

The People's Revitalizing Expression, ERP, secretary general said that the FMLN's internal crisis does not end with the removal of these leaders from the political commission. He even mentioned the possibility of legally appealing against the FPL [Farabundo Marti Peoples Liberation Forces], the Communist Party of El Salvador, and the PRTC [Revolutionary Party of Central American Workers].

[Begin Villalobos recording] I belong to the Front as much as any other person. Just as I said there, with all

due respect to our comrades, I am a guerrilla just like most of them or even more so in the case of many of them. [end recording]

That is the position of the ERP's Joaquin Villalobos in the face of the FMLN National Council decision to suspend him together with seven deputies who are part of his organization as well as members of the Armed Forces of National Resistance. Villalobos said that both he and his comrades will continue their work as party leaders and said that the problem has not ended with the resolution adopted by the National Council.

[Begin Villalobos recording] They cannot apply that measure, which only serves to broaden the framework for the debate. There are going to be legal debates, legal measures will be taken to counter this, there will be more national political debates, and I believe that at the same time arguments within each of the organizations will heighten. [end recording]

Joaquin Villalobos said the decision to dismiss them is loaded with a dose of traditional past Leninist hegemony, which to his mind are notions that history is casting aside. The ERP leader said that in the long run the PRTC, the FPL, and the Communist Party of El Salvador will have to change.

[Begin Villalobos recording] I believe we will be seeing more changes in the next few months, even the change of forces. I am not talking about of the ERP or the RN [Armed Forces of National Resistance], but the three other organizations; social democratic forces will take up center-left positions and agree with us in this debate. It is too early to try to interpret things. The next thing we will know is that everything is over with. I think this is what the more radical members want. [end recording]

Villalobos admitted that this internal FMLN conflict has taken its political toll, but gave assurances that it is only temporary.

Guatemala

President Reiterates Promise To Fight Corruption

PA1205134494 Guatemala City LA REPUBLICA in Spanish 10 May p 3

[Text] Upon returning from Costa Rica yesterday, President Ramiro De Leon Carpio was asked if the people responsible for the loss of food and medicine in Santo Tomas de Castillo would be punished and if charges would be filed against the health minister. The president reiterated that fighting corruption is one of his government's main objectives. He said: "If there is one thing my administration has tried to do from the very beginning, it is to combat negligence and violations of the country's laws."

The president added that the struggle against corruption is being conducted at all levels in his government, thus the law will be applied to anyone who has committed a crime. He recalled that the government's position has been reiterated several times, so those who are guilty of negligence must answer before a court of law and be punished according to the law.

President De Leon Carpio did not elaborate on the issue but clearly established that the government's position on the health problem is to minimize its negative effects on the population.

Political analysts have stated that the government must await the results of the investigation, which is headed by Deputy Health Minister Enrique Eugenio and expected to conclude in 15 days, before any measures can be taken against the culprits.

Nicaragua

Humberto Ortega on Military Organization Law

PA1205035094 Managua Radio Nicaragua Network in Spanish 1827 GMT 11 May 94

[News conference by General Humberto Ortega, chief of the Sandinist People's Army, with unidentified correspondents; place not given—live]

[Text] [Ortega] Taking into consideration that Mrs. Violeta Barrios de Chamorro, president of the Republic, will send to the National Assembly—as she previously stated—the bill on the new Military Organization Law, I have decided to reveal the following document to the nation in the presence of the Sandinist People's Army [EPS] chain of command.

So Nicaraguans, particularly the leading players in the national political life, may better understand the issue of civilian and military relations under the current circumstances which prevail in Nicaragua, I consider it necessary—before all else—to review in an overall way certain important issues [two-minute break in reception] civilian-military (?dictatorship) to exercise its domination over the Nicaraguan people. It is undeniable that relations among Nicaraguan people were quite deteriorated at the time. It is, therefore, difficult to talk about adequate civilian and military relations at that time in our history, above all, when a power like the United States, the biggest power at the time, clearly supported the dictatorship that oppressed the majority of Nicaraguans and prevented the exercise of true democracy in Nicaragua.

Since the assassination of General August Cesar Sandino in 1934, and until 19 July 1979, civilian and military relations earned the rejection of Nicaraguan civilian society given the domination exercised by and through the Somozist National Guard. As a result of President Anastasio Somoza's downfall, a transition process toward democracy began in Nicaragua and we must recognize that the course of its consolidation was reasserted and clearly marked despite all the difficulties. The

revolution established the groundwork that granted the opportunities to exercise the rights Nicaragua now has.

Without that revolution we would not be celebrating the current administration's fourth anniversary or the historical changes that it generated, and local political groups would not be participating in the broad Nicaraguan political debate without restrictions or threats. Quite the contrary, the debate is held with a tolerance that frequently clashes with the nation's constitutional and legal framework. That is something else, however, because the important thing in any case is to guarantee the liberty and democracy for which our people have struggled since the last century.

Between 1979 and the February 1990 elections, civilian and military relations in our country were marked by the U.S. enforcement of an unfair policy that financed a war and imposed an economic blockade that immersed Nicaragua in the most abject poverty. It was precisely this erroneous U.S. policy that was condemned by the highest International Court of Justice at The Hague and the policy that U.S. President William Clinton is now trying to leave behind so we may begin the new century with a new type of relation based on the principle of mutual respect.

The end of an alliance between different groups of the Nicaraguan society who united to defeat the Somozist dictatorship through the first government junta of national reconstruction; a radicalization of the revolution given U.S. aggression; and an increasing political polarization among Nicaraguans represent some of the main elements that prevented an adequate relationship among Nicaraguans within the search for a much-sought democratic system in the historical chapter that was written during the last decade.

Peace is essential to the consolidation of the democratic system we are building. I would like to remind you of the efforts of our brothers: in Latin America, the Contadora Group; in Central America, the Esquipulas Agreements; and in Nicaragua, the Sandinists and counterrevolutionaries in Sapoa, who established fundamental factors to achieve the strategic defeat of foreign aggression.

I must tell you that the strategic defeat of the Reagan plan was but the revolution's military triumph, without which for example, instead of a Sandinist military command today we would have a Somozist command or the counterrevolution of past years.

Within the framework of the Sapoa Agreements and the Central American agreements, however, President Violeta Barrios decidedly and assertively culminated this peace effort, which definitely buried the war, opened a chapter of national reconciliation, and created a broader climate of political freedoms which today, despite many difficulties, all Nicaraguans are enjoying and are obliged to protect.

Although the reactionaries failed to impose the Army they wanted, it is no less true that Nicaragua was destroyed by a foreign debt of approximately $12 billion, largely due to the war, which will take us a long time to settle. These are a few of the basic elements that explain the backwardness we are experiencing today, added to which are the mistaken policies which, according to analysts, were implemented by the previous government.

Another important element was the 1990 elections. You must understand that it was a victory that was quite far from being a peaceful and rancor-free process. Precisely in response to this political polarization, it was a highly polarized and vengeful electoral victory. In March 1990, a transition agreement was signed by the revolution and the government-elect. This agreement prevented Nicaragua from entering a course of chaos and anarchy that would lead to another civil war which, unquestionably, would have been bloodier than the previous one.

At that time, it would have been very difficult to view civilian-military relations in the light which we are beginning to view them now. Nicaragua is currently in the process of legitimizing the Army despite those people who still believe it is possible to alter the course of this historic trend in Nicaragua. We cannot ignore the fact that some people cannot or do not want to understand that to change this situation in any way would be to set Nicaragua, once again, on the path to the profoundest instability.

Therefore, the Army's legitimacy should be the gradual result of a broad consensus and its maturity should be the result of the efforts by all forces of the nation to ensure that the Army truly is a national Army that represents all Nicaraguans.

It must be understood that the Army is no longer the expression of a political party, the Sandinist Front, as it was in the past. It is no longer such a thing, and it is also imperative to admit that it will not be the armed wing of any political party or a certain class or an economic sector.

It is precisely because of this failure to acknowledge these new circumstances that even some economic analysts have made serious mistakes. One of them recently pointed out that Nicaragua's problem was the Army because it has sought to block the government's economic program at any cost. I am convinced that a country's economic and social problem must not be perceived from a repressive point of view. Much less must one adhere to the reasoning that in order to implement a specific plan, be it neoliberal or not, it is first necessary to crush the people's protest by force.

In Nicaragua, the Army [word indistinct] to ensure peace. We have been able to remove more than 130,000 assorted weapons from circulation. These weapons were in the hands of Sandinists and non-Sandinist civilians. Obviously, these weapons created a situation of risk and insecurity for the entire population. In addition, no one can deny that we have responsibly concluded the reduction process despite the fact that none of the Central American armies adopted the

regional reduction and safety plan proposed by the Nicaraguan Government. These plans were unquestionably supported by our Army.

Most of all, I would like to clearly point out, especially to those friends who are willing to help us, that Nicaragua's main problem is not between civilians and the military leaders. The main problem afflicting us in Nicaragua is poverty, economic backwardness, and the underdevelopment of a nation that lacks democratic experience and urgently needs a solid material basis in order to advance toward a truly democratic culture.

From another perspective, the main problem lies with those of us who want democracy and those who are against it. It is not between military and civilian leaders. Just as during the past administration, the Army has been respectful of every political, economic, diplomatic, financial, and social activity carried out by the current administration. This has been the case regardless of whether or not some sectors may have described these activities as good or bad, or whether or not these sectors were right or wrong. This Army has never interfered in any of the decisions adopted by this government in exercising its rights which were won in the 1990 elections. We have never interfered in the National Assembly.

We have never gone to parliament to impose any particular political line. We have never gone to the Supreme Court of Justice to tell magistrates how justice must be imparted or to point out to them the problems of the legal or judicial system, a system criticized by various sectors of society that want a true de jure state and solemn respect for human rights, something that is necessary to consolidate the democratic process while having economic progress and social justice.

The Army has never kept the electoral authorities from fulfilling the law. On the contrary, during the 1990 elections process, for example, hundreds of brother soldiers and officers died while fighting the last offensives that the reactionaries launched from Honduran territory to try to frustrate the election process to justify the warmongering policy they wanted to impose on President George Bush after the Reagan plan failed.

Hundreds of brothers died fulfilling their duty, securing the necessary public order for carrying out those elections, which served as a unique example for America and perhaps for the whole world, the example of a revolution that wins power the armed way and surrenders it peacefully and democratically showing respect for the will of the people as expressed at the polls.

We have not interfered with the Higher Council of Private Enterprise or with labor unions, or with other important Nicaraguan sectors.

I believe that civilian-military relations have notably improved in the past four years in spite of difficulties and people who may not be aware of this fact yet. The EPS has been an stabilizing factor. Without the Army, Nicaragua would live in chaos, instability, and total anarchy.

To those who say the Army should not exist, I say that if the Army were to disappear today, tomorrow various armed groups would appear claiming to represent the various antagonistic and polarized political forces that still have excluding stands in the country's political and economic fields.

I want to mention our perspectives for the immediate future. Nicaragua is still experiencing a polarized situation. There are sectors that believe that democracy can be achieved only if the historic changes that were made here as a result of the revolution are erased.

There are others who think that democracy has to be based only on the revolutionary past, which was necessary at a given moment, but which now is behind us.

These are essential contradictions that must be overcome to reach basic national unity. To achieve this, it is necessary to objectively take into account the correlation of forces, the real strength of the sectors in contradiction.

I will mention some of the important elements necessary to reach this goal:

Reforms to the Constitution—It is necessary to reach a basic political agreement that is based on the correlation of forces in the country. The Constitution must be our fundamental framework in the future. Nicaragua must have a constitutional regime with clear laws to which all of us must be subordinate.

The Constitution of 1987, born in the framework of the Revolution, has kept us on track, out of chaos.

This Constitution, however, is no longer effective and must be amended.

Property—This is a very important issue, closely linked to the titanic efforts that Nicaragua must earnestly make to try to solve the dilemma of poverty. In clear judicial and political agreements on the issue of property pertaining to beneficiaries as well as to claimants, quite rightly, we will hardly reach the much needed stability to begin implementing and consolidating a plan, regardless of its political and ideological orientation, because there will be no reference points even for domestic consumption efforts or for the much needed foreign investment to make the country prosper.

National crusade against violence—This is another vital issue because although the war was left behind as a political expression to alter the correlation among existing efforts, social decadence, and violence in its many forms, violence will completely undermine and destroy the Nicaraguan State we want to have and need to modernize. From our viewpoint, it is imperative to face violence with a spirit of national crusade to ensure that protected by the laws and with ample civilian support, we will reinforce the order and safety of mainly

producers, peasants, townsfolk, and tradesmen, who are the constant victims of gangs of street criminals and wrongdoers.

Minimum consensus to face the socioeconomic crisis—This is a general issue. The government recently joined the ESAF [Enhanced Structural Adjustment Facility], which in fact, the current administration has already recognized and is addressing. To that effect, I believe the important thing to do is to find the way to overcome those hard times and tough policies carried out to fashion harsh realities into positive results. I think the country's stability to expand production and to make the economy thrive must be the main result, ensuring that every sacrifice imposed on the people due to those very painful economic policies must benefit not only a minority; they must also benefit the middle and poorest classes of this country.

We are convinced it is difficult, almost impossible, to jointly solve those economic and social problems that are present in every situation. I also believe, however, it is essential to make efforts to at least help ease the dramatic effects that these measures have on society.

Finally, I wish to say it is equally vital for the executive branch, the Army, and the National Assembly to reach a clear, conscientious, and enthusiastic consensus on the Military Organization Law. The subordination and respect that the Army has shown to civilian power amid all difficulties must be clearly stated in the juridical and legal order.

This law is essential to guarantee we will now have a small Army that adequately fulfills our society's needs and to support the process for the Army's professionalization. The legal mechanisms to achieve a rapprochement between civilian and military power should be clearly established. It is not a matter of establishing, as some people want, a law that dismantles the Army to leave it diminished and humiliated. These are, among other things, the issues I consider vital and necessary to settle in Nicaragua now so we may build the democratic system we all hope for. It is clear that Nicaragua is involved in a new democratic process and we all have the right to participate in the process, regardless of each one's political ideology. I want to state today that the Army will fulfill its role in the construction of this democratic regime we need so much. We will now answer questions.

[Correspondent] Excuse us for repeating the question we asked you yesterday. It deals with a meeting of high-ranking Army commanders, National Assembly deputies, and the government minister. Following the meeting, one of the participants told BARRICADA your retirement was scheduled for 21 February 1995. We would all like to know when this will happen. We are waiting for an official statement on such an important issue.

[Ortega] The most important thing here is that we have been working in a dedicated, serious manner with various groups—in this case the National Assembly, the executive branch, and the Army. The most important thing is that we are reaching a consensus on what we so dearly need in Nicaragua concerning many contradictory issues. In other words, considerable progress has been achieved, compared to previous months, when our views were not so similar.

It is true that meetings have been held to seek a consensus on the Military Law. This will enable us to concentrate on the great historical step, when the country will have, for the first time, a law that will enable Nicaragua to quickly and safely consolidate a national Army. That is the most important thing. Within the framework of this project, which has been carried out constructively, we have managed to overcome some differences we had since 2 December—between the executive branch and the Army, and between myself and President Violeta Barrios [name as heard].

I think we should be happy about this. I think every agreement, every constructive step should encourage us to support them. That is why I said the most important thing at this point is to have a satisfactory agreement concerning the law, which is the most important issue because it will give Nicaragua more juridical and legal guarantees for the Army. There is also a satisfactory, correct, and adequate agreement concerning the retirement of the current EPS chief, Humberto Ortega. This is the most important thing. Referring to the day that we intend to make an announcement about the bill that will be sent to the National Assembly and about myself, as chief of the EPS, this will happen soon.

I believe it will be sometime next week. I do not want to say anything ahead of time because I would be jumping ahead of something that must follow normal procedures. I do believe, however, the most important issue is that there is an agreement, and that we work in a more mature and responsible manner which is more in line with national interests and not any other type of interests. Basically, once we have approved all the details and have made it public, the 2 September situation will have been overcome.

[Correspondent] [words indistinct]

[Ortega] Most likely it will be made public sometime next week.

[Correspondent] [words indistinct]

[Ortega] [words indistinct] The day and date are secondary. The important issue here is that we have been working more than two years for an adequate, responsible, and modern law. We can even say this is going to be one of the most modern laws approved during the past years in Latin America. Most of all, it draws the civilian and military branch closer together in a modern

and constructive manner. In addition, the most important issue is that the military will be subordinated to the civilian branch.

[Correspondent] Gen. Ortega, [words indistinct] your entire high command if there is really nothing new?

[Ortega] Well, I believe that the most important issue is that we have ratified decisions of principle for this Army in light of the situation in the country. When you go over it, you will notice that there are issues that are worthwhile [words indistinct]. Every day there are going to be those alarmists or headlines grabbers who simply want to satisfy the media. The most important point here is that we are demonstrating what the Army's historical process is all about. We are also demonstrating what the civilian-military relation is about because we are about to enter a [words indistinct]. Once the law arrives before the assembly, I am quite sure there will be much debate surrounding it. What we have done is to provide people with a general framework of our outlook with respect to the civilian-military relationship so that when discussions surrounding the law takes place, the people will know how we think. This bill is very important to us because it expresses our position and our conviction.

[Correspondent] You have always spoken about [words indistinct] as relates to the military law [words indistinct] and the differences. Yet, you have never specified what these differences with the executive branch are. Why not explain [words indistinct]. Why not ratify once and for all [words indistinct], and I reiterate my question with respect to the differences.

[Ortega] Yes, of course. The differences have been related to the lack of a civilian-military relationship. We have slowly been discussing and understanding one another on issues such as subordination—for instance, how it should be—and on the authority, functions, and kind of fundamental structure the Army must have. On the matter of the Army's jurisdiction, we made major progress on some [word indistinct] the civilian sector had. In sum, [words indistinct] the law will be announced. I think this will happen no later than next week, as I have been in touch with the Presidency. Next week, within the appropriate framework, the matters dealing with my retirement as Army Chief will be announced. Both issues will take place soon, maybe by next week.

[Correspondent] I understand the Army High Command is responsible for recommending your successor as Army Chief to the President of the Republic. Since expectations have been growing about your retirement, the name of Major General Joaquin Cuadra has been mentioned constantly. First of all, I would like to know if you can confirm if Maj. Gen. Joaquin Cuadra is the only candidate to occupy the position. Secondly, if you say that your retirement is secondary and not the main issue, then why wait until the last minute?

[Ortega] Mainly because we have to respect several procedures we have agreed upon. I do not want [words indistinct] things which we have already agreed on, the procedures of how we would go about it. With respect to the mechanisms used in the Army, in addition to obeying the law, we have an obligation to the hierarchy within the institution. In addition, we have an obligation to evaluate merits since the triumph of the revolution as well as during the revolution. Throughout these difficult times the Army was called upon to play a key role [words indistinct] of Maj. Gen. Joaquin Cuadra. Therefore, as [words indistinct] we have no inconvenience. In due time, we plan to formalize it in the military council. As I said, we can find no inconveniences to that type of [word indistinct].

[Correspondent] General, Joaquin Cuadra is the principal candidate to replace you?

[Ortega] That is correct.

[Correspondent] [words indistinct]

[Ortega] In general terms, We say the Army does not interfere in the country's normal civilian life. What happens is that there are very extremist sectors that still talk about eliminating the Army or turning it into an insignificant body.

We have not come to discuss that. We have not come to accept that kind of message but to discuss matters of interest. We simply want to retake [words indistinct]. We want to correctly focus on [two-second break in reception] alter the current correlation. There are people who believe the Army should disappear. Those who advocate that policy are creating instability.

Work has been made toward a consensus. Important forces in the assembly, such as the [words indistinct], should be there once the bill gets there to have a richer and more productive debate. Let us hope that deputies from other currents see the good points of this bill for the nation, and do not look at me antagonistically. This is the idea.

We do not interfere with COSEP [Higher Council of Private Enterprise]. We do not carry out any activity that goes against the Nicaraguan private enterprise and we have never considered that kind of policy. So far we have not done it.

[Correspondent] General, will this be a law or a military code?

[Ortega] It is a code because it contains several laws. This will be a code of military urbanization, jurisdiction, and social assistance. That is going to be its title.

[Correspondent] [passage indistinct] did you present the candidate or [words indistinct]?

[Ortega] This is something that will not meet great difficulties [words indistinct] due to the [words indistinct] we have. The succession in the EPS is therefore very clear.

[Correspondent] [words indistinct] was held a seminar on civilian-military relations. Some proposals or recommendations were presented on the need to create a defense ministry in Nicaragua. Would the EPS agree to create a defense ministry? Could you comment if this has a [12-second break in reception]

[Ortega] ...in that event, this has been analyzed thoroughly. The problem is those who would have to take over these tasks are not currently prepared. These people would have to be prepared and educated so they can understand and contribute, in this case, to the military-government relationship. I believe this problem [words indistinct] when everything is ready, then action can be taken through presidential decision to create a defense ministry. I believe this [words indistinct] causes delays. But we have no [word indistinct]. On the contrary, we believe that a defense ministry would harmonize a series of political tasks, of national defense, coordination, that through the state, the military and the government should carry out.

Currently, the state is being reduced. When there is unemployment, when people from the government sector are being left unemployed, it would be absurd to propose the creation of a bureaucratic mechanism right now. I believe it would go against ESAF policies. Perhaps, later on, when the [word indistinct] has been tested with another government, better solutions might be available.

[Correspondent] What guarantees [words indistinct] the Army [words indistinct] on the part of parliamentary factions and the National Assembly will be given to guarantee the implementation of [words indistinct] will be continued. [Words indistinct] have committed, at least in a general framework. Second, I would like to know what you have planned after your retirement [words indistinct], any electoral plans vis-a-vis the 1996 elections?

[Ortega] It has been scheduled for the 21st and was chosen in accordance with [words indistinct]. This is a very significant date for the party.

[Correspondent] Will you devote yourself to business or politics?

[Ortega] We are positive that [words indistinct] will be the economic development [words indistinct].

We really do not want to be tied to anything. We are certain of this proposal. When we use logic, even though it may not be understood at the very beginning, it naturally comes out during the debate. We have great trust in this. We believe this is quite fair and that it will be understood.

As for the 21 February thing [words indistinct] we are quite sure that next week it will be made known in a proper manner. As for myself, I do not have to look for something to do. I am a revolutionary. I will continue to be a revolutionary. I am a man concerned about the fate of Nicaragua and I will try to contribute as much as I can, including in the historic judicial case. We are committed to a task that has not been finished yet. It is a task that all Nicaraguans must continue to work on.

I do not have to look for something to do. I am here doing my patriotic work in the Army. I am contributing by giving the country a national Army that is purged, that is not involved in politics, and that fundamentally responds to the Constitution and the law. It is not a repressive force that is at the service as we said in the document. [sentence as heard] That is why it is good to remember history. The Army is not at the service of any class or political party. It is an army that is really at the service of all Nicaraguans. Therefore, I do not have to look for something to do. I am doing my work now, and I am going to do this work in the future.

[Correspondent] Have you ruled out any participation in the next election campaign?

[Ortega] Up until now, no one has asked me to be a candidate. If you asked me to be a candidate, we would think about it.

[Correspondent] [words indistinct]

[Ortega] The problem the Nicaraguan people have is that we are all immersed in the search for clear-cut distinctiveness in one way or the other. Forces of all types in the country are facing divisions. If you observe the country's situation, you are going to find there are divisions and problems everywhere. I believe the unity of the Nicaraguan people is vital. I believe we have to look for a way out of the crisis. We must find a nationalist solution for all Nicaraguans regardless of their race, religion, or political affiliation. This is vital in saving Nicaragua. That is what I could tell you in this regard. I really do not want to get involved in the internal problems of the Sandinist National Liberation Front. I believe that all Nicaraguans must unite around a program to save Nicaragua. We said this in the document we released today.

[Correspondent] [words indistinct]

[Ortega] What is important here is not my departure. Rather, the important issue here is the law. This is what we are giving Nicaragua. I have not heard the statements made by the president, but we had already agreed on how to announce this kind of thing. I want to honor that commitment.

[Correspondent] [words indistinct]

[Ortega] No, no I have not heard anything. I do not know if she said that. We had agreed to make a joint announcement.

[Correspondent] [words indistinct]

[Ortega] Yesterday, we met with [word indistinct] and with the cardinal, and you all witnessed this. There, we talked about the need to make great efforts to convince the people to help the authorities face this problem.

Actually, the [word indistinct] are increased in various parts of the country. The efforts we are making in the Army, the police, and in other organizations in the cities is to prevent this phenomenon from spreading to the cities. We want to build a type of barrier to prevent this evil from becoming somewhat common here as well. This thing would be awful for the country's image and for the tranquility of the country's citizens. We are going to start working against the problems of extortion, kidnappings, and robberies in the countryside, and we want to say that, in spite of everything, the results of the past three months have been quite positive, and we believe the results will be even more positive.

[Correspondent] Gen. Ortega, [words indistinct] one of the most important points said society [words indistinct] U.S. Congress approved a law some people view as an ultimatum for Nicaragua. And the association of people whose property has been confiscated stated several of its properties are in the hands of Army military officers. Will the Army cooperate in trying to resolve this problem by returning some of these properties?

[Ortega] We have been working within the framework of law and order to resolve, once and for all, the property issue. We have provided all the assistance required. We think this is a problem, not only for those whose properties were arbitrarily and unjustly confiscated, but we believe it is a fundamental problem for a majority of Nicaraguan citizens who benefited from the law, within the framework of a very complex revolution. This has generated a misunderstanding.

We must adhere to the law and ethics, as well as our deeper moral commitments and conduct. We have never accepted the abuses [words indistinct] of the law to benefit some people, which was granted by the revolution in the last few months of its mandate. We never supported this and we have always expected [words indistinct] pinata-like giveaway. But no list has ever been presented on who profited from the pinata-like giveaway so that they may be brought to justice. I was reading in a newspaper that there are even Sandinists who know about fellow Sandinists who illegally occupied properties. They should be brought to court. To say that the pinata-like giveaway occurred and not to say who they are would be like covering up criminals.

We believe there were cases in which the law was violated and there was corruption. We have always agreed these cases must be uncovered. We never had these problems in the Army. We always clearly stated our position to the executive. We asked if it had any complaint against the Army, and there was none. There are cases of homes which belonged to U.S. citizens and we are trying to find a solution to that. This will not be done in a hasty manner. Thank you.

[Announcer] This has been the message to the nation and news conference by Gen. Humberto Ortega.

Panama

Foreign Minister-Designate on Policy Plans

PA1305034894 Panama City Radio KW Continente in Spanish 1930 GMT 11 May 94

[Interview with Foreign Minister-designate Gabriel Lewis Galindo with unidentified reporters at the Los Capitales Nacionales Corporation in Panama City; broadcast in progress—live]

[Text] [Lewis Galindo] ...I wish to thank Dr. Perez Balladares for choosing me as his foreign minister. This is a great honor for me because I am familiar with Perez Balladares' background. I am a close friend of his and worked in close association with him in General Omar Torrijos' time. We were part of Gen. Torrijos' inner circle or advisers. I wish to express my appreciation for this opportunity to serve Panama. I had already retired from business and public life. Nevertheless, I accept this call to serve the homeland with great energy. To serve my country at the Foreign Ministry holds a poignant value for me. My father held the post of foreign minister and struggled hard for the same cause that I championed through the Treaties that were signed in 1977. My father succeeded in having the Panamanian flag flown for the first time at the military bases in our territory. During the independence, my grandfather served the country in the same capacity. So, three generations have served the homeland in a similar way.

At this time, I wish to acknowledge publicly President Endara's honest management of the elections. President Endara made good his promise. He will go down in history as a great Panamanian. In addition, I wish to acknowledge the Electoral Tribunal's hard work. The way the vote counting was performed deserved the warmest praises from the foreign observers who witnessed the elections. The Catholic Church and the Justice and Peace Commission created by Archbishop McGrath played a significant role in persuading the Panamanian people that their votes would be carefully counted. More than anything else, these elections demonstrated the Panamanian people's lofty civic spirit. I will cooperate with Dr. Omar Jaen, who has been designated deputy foreign minister. I think I do not have much else to say about him. He is an intellectual of international prestige, a historian who has written Panama's history. Whenever he has had time, he has put it down in books, but he has always had it at hand in his personal computer. Welcome aboard, Omar.

I have been talking with Dr. Perez Balladares on priorities. As you know, he has set as his administration's priority to improve the Panamanian people's standard of living. To do this, it is necessary, first of all, to create jobs.

The Foreign Relations Ministry will be radically changed under the government of Ernesto Perez Balladares; that is, the Foreign Ministry will become a productive institution. Incorporating Panama into NAFTA is a similar

priority we will pursue. This incorporation will let our products gain access to great markets in Mexico, the United States, Canada, and any other country that might join NAFTA. It is important for Panama to establish friendly and praiseworthy relations with the United States, relations that will allow us to obtain benefits and to gain respect.

With the reorganization of the Panamanian diplomatic corps, we will turn our embassies and consulates into agencies to promote investment and tourism as well as seek markets. Ambassadors around the world will have to obtain scholarships so our young people can be improved intellectually. I think it is a priority for the Panamanian people to raise their self-esteem. We must recover our international prestige, just as we did in Gen. Torrijos' time. Under the new national and international circumstances, it is mandatory for Panama to again be included among the respected and worthy nations of the world. It is important to improve our political and economic relations with all the nations of the continent and the world. We will attach special importance to improving our relations with Mexico and Peru. These relations have been a little on the downside. We will maintain excellent relations with our neighbors Colombia and Costa Rica. President [title as heard] Perez Balladares has been invited by President Gaviria and President Figueres to pay a quick visit to those countries and familiarize himself with problems of common interest. In addition, Perez Balladares has been invited by the governor of Puerto Rico, a very close friend of his.

It is important to stimulate our commercial relations with the EU, the Pacific Basin countries, and very particularly with Japan. All of those things lead us to plan the creation of a ministry of promotion. All of us Panamanians are proud when we travel abroad. We should strive so the name of Panama can be pronounced with respect. In particular, we will support President Cesar Gaviria in the reorganization of the OAS. It is important to stimulate better relations with the countries that use the Panama Canal. It is also important to inform them that the Panamanians will be capable of managing the waterway, which will soon revert to us. We should have some type of relations with the Eastern European nations that were recently liberated from the Soviet yoke. This will be done in due time, but it is also part of the list of priorities drafted in the few days that Perez Balladares and I have been working together.

As I said before, it is important to recover our international prestige. This can be done only by visiting those countries and letting industry, banking, and government leaders see the human quality of the team formed by Perez Balladares. It goes without saying that the persons he has in mind to appoint to positions in his cabinet are much more capable than myself. I am proud to be able to work with the people Perez Balladares has in mind for his government. I hope they will accept when the proposal is made to them. All of us must lend a shoulder to advance the homeland.

I will tell you something. I do not intend to stand with my arms crossed. I have worked hard to build my business interests through sacrifice and hard work. I have already spoken with Panamanian Ambassador to Italy Rodolfo Aleman to advise him that I will visit there during the month of June and expect to meet with all the Panamanian consuls in that country. At that meeting I plan to make them aware of what exactly we are seeking: investment promotion, Panamanian goods promotion, [word indistinct], and prestige for our country. Whoever is willing to keep up with this can be certain of my support, otherwise we will have to seek a replacement.

To me, it is important for all government officials to feel secure. I plan to respect the stability of all Foreign Ministry officials. It is important for us to create a climate comfortable to work in if we expect to increase efficiency. If an employee does not feel secure in his or her position, then efficiency and productivity falls. These are some of the guidelines I have been able to formulate so far. I would like to ask for your cooperation. We must all work hard. If we all work together, then I believe we will have a Panama we will all be proud of.

[Reporter] You mentioned changes within the Foreign Relations Ministry. Specifically, what type of transformations were you referring to?

[Lewis Galindo] We plan to transform the Ministry into an agency of promotion. Costa Rican President [Jose] Figueres appointed a commission to carry out a study related to restructuring his country's Foreign Relations Ministry. Everything I have heard so far about that study has been positive. Costa Rica has surpassed us with regard to promoting the country's business, tourism, in everything. So, I believe it would be worthwhile to take a look at what they did.

At this time I would not dare tell you what our transformation is going to be like. But one thing is for sure, we are going to have a transformation. We plan to transform the Ministry into an agency of promotion, in addition to maintaining cordial relations.... [pauses] I just cannot imagine an ambassador in Paris simply scratching his belly all year around. That man must produce, regardless of whether it is scholarships, investments in Panama, or promoting our products. How is it possible that while Japan and Korea sell us thousands of dollars worth of cars, and we have embassies over there, yet we are still trying to determine what to do with a product such as bananas because the European countries are setting up barriers? All of this is give and take. However, if the ambassadors simply sit around with their arms crossed and merely send.... [pauses] We will never accomplish anything if the ambassadors are persons who do not produce regardless of what positions they occupy, and we tend to reward them with an embassy, as we have done in the past, or simply because they are related to someone or some legislator. This is not going to be the case.

Panama will be represented by its most capable officials. I cannot fathom a foreign relations ministry under my direction in which I will be receiving calls from a country's foreign ministry requesting the withdrawal of a certain ambassador because he has spent his time illegally importing cars. That simply cannot be. We must be proud anytime we travel overseas.

[Reporter] What can you say about Panama's integration to the Central American Parliament [Parlacen]?

[Lewis Galindo] I would rather have the minister of planning and economic policy answer that question at a later date.

I personally believe that we have nothing to do with market integration in Central America. We can have cultural integration, but our business realm and wage scale do not match those of Central America. That is why I feel that what is more interesting for us is to think big—let us associate ourselves with the three powerful northern countries. This does not mean we should hurt our relations with Central American countries; on the contrary. We have very basic economic differences. This is my personal opinion, and this topic is not my business, it is up to the planning minister. I am only giving my opinion as a businessman.

[Reporter] Could it not prove politically beneficial?

[Lewis Galindo] Politically?

[Reporter] To have the Legislative Assembly integrate Parlacen.

[Lewis Galindo] The Legislative Assembly.... [pauses] Well, the political side, fine. My disagreement is with economic integration.

[Reporter] The general commentary is that your return to public life, especially to the Foreign Ministry, is basically due to the transfer of the Panama Canal. There is word that due to your success with the treaty negotiations and your close relations with former President Jimmy Carter, and all the team that works with President Clinton, there is a possibility of negotiating a new base treaty.

[Lewis Galindo] President Carter is very respectful of Panama. He does not hold any official post in the U.S. Government. He has not spoken to me or anyone else about U.S. bases. This is a problem that I am sure we will discuss with the Americans in due course. But you can be sure that as long as I am foreign minister anything we do will take into account Panama's best interests and always with respect. As long as I am there and Dr. Perez Balladares is in the presidency, we will work and struggle for the recovery of our sovereignty. We will not give it away to anyone, but this does not mean that, if the study of the presence of U.S. military bases is required, I will oppose it. These then become not nationalistic issues, but cheap nationalistic issues.

Countries such as Spain, Italy—powers with plenty of tradition—have foreign bases there. Tell me where does the United States not have bases? We belong to the group of countries that make up the Western world; these barriers no longer exist. Perhaps one could argue whether the presence of U.S. bases is justified; up to now they have not done anything. I for one do not believe that we should make the first move and say: stay here, stay here. If the United States seriously needs the bases and is willing to talk to us, Dr. Perez Balladares has already said on several occasions he is willing to sit down and talk about the issue.

[Reporter] How do you feel about Cuba returning to the OAS?

[Lewis Galindo] Cuba is a very complex issue. Dr. Perez Balladares has issued statements in this regard, so I would not dare comment on this topic right now because it is a controversial topic. I would prefer to discuss this further along the line. This is a topic.... [pauses] We must wait for Dr. Perez Balladares to take office and then he can decide. For the time being I cannot say anything further on this because I am unaware of his opinion.

[Reporter] When will the elected president meet with Presidents Gaviria and Figueres?

[Lewis Galindo] In the next 15 days. In fact, we are about to send emissaries to coordinate the details of the visits. We will send them to both countries.

[Reporter] Mr. Lewis Galindo, going back to NAFTA. Could a renegotiation of the military bases give Panama an opportunity to reach Mexico's level regarding the renegotiation of the Treaties?

[Lewis Galindo] Well, that is part of a negotiation. We will open the negotiations. When one negotiates, ones does so with the cards on the table. They have their cards, we have ours. Let us see what they propose. We will open the negotiations and then see. But first we must get the three countries to negotiate with us. For this reason, it is very important to resume very friendly relations with Mexico and create a better climate between Canada and Panama. We must increase the degree of our relations with Panama if Canada and Panama are to be economic partners. First of all, however, we have to win over three countries before entering NAFTA.

[Reporter] Several Panamanians are in exile. At the Attorney General's Office several cases are pending. The extraditions of several individuals have been requested from several countries. Such requests have not been processed. Do you intend to follow up these cases?

[Lewis Galindo] Well, I do not know what it is all about. First of all, I must familiarize myself with these things. The government of President Perez Balladares is persecuting no one, however. I suppose that the legal procedures against people who have cases pending with the administration of justice by reasons of their offenses or

crimes will have to continue. Nevertheless, this does not fall under my authority but rather that of the administration of justice.

[Reporter] Regarding the EU and the division of the countries [words indistinct]?

[Lewis Galindo] I think Spain owes us an opinion poll. We should talk with President Gonzalez and ask him to admit that the existing ties between the United Kingdom and its colonies and between Spain and its former colonies, such as the Central American countries, should be similar. The fact that we obtained our independence in the 19th century and that Jamaica and the other English colonies obtained theirs in the 20th century does not justify Spain neglecting its relations with us. We must have a powerful sponsor, such as Spain. We will eventually talk with our friend President Gonzalez and the Spanish authorities. I am sure that in this way we can strike some kind of arrangement favorable to Panama.

[Reporter] What can be done to have the U.S. Senate ratify the Mutual Legal Assistance Treaty?

[Lewis Galindo] We must trust the Panamanian officials. U.S. senators do not trust Panamanian officials because we have given proof of scant seriousness and, in this case, they say: Since this is a two-way thing, we can give Panama certain information and it may end in the drug traffickers' hands. However, that can change and I think that with the attention that Perez Balladares will give all those problems we will recover the trust in Panama—not only with the United States but also with the rest of the world.

You tune in a radio or television station in Paris speaking about Panama and the stations say Panama has just held elections and the country is one of the largest drug trafficking centers. This was told to me by a French banker who indignantly phoned me this morning. This government has done a number of good things but has overlooked reporting them. Consequently, Panama's prestige has dropped down low. As I said before, we must restore Panama's name to the level it had during Torrijos' time.

[Reporter] Do you belong to any one political party?

[Lewis Galindo] I do not actively participate in any one political party. Nevertheless, I joined and voted for the Solidarity Movement out of solidarity with my brother. He is the politician. I am a businessman and a retired one at that. I have been taken out of retirement to be put to work again. I wish to say something else. The door to the Foreign Ministry, headed by myself and Jaen, will remain open. Sometimes I am too frank and stick my foot in certain things. So help me not to because I am not too much of a diplomat.

Perez Balladares To Attend Summit With Endara

PA1305001294 Panama City ACAN in Spanish 2021 GMT 12 May 94

[Text] Panama City, 12 May (ACAN-EFE)—President Guillermo Endara plans to attend the fourth Ibero-American summit, scheduled to take place next month in Colombia, accompanied by his successor, Ernesto Perez Balladares, winner of last Sunday's presidential elections. Endara, who today installed the government transition commission with his successor, will be traveling on 14 and 15 June to Cartagena de Indias to his last meeting of presidents and heads of state. The government transition is scheduled to take place on 1 September.

Perez Balladares, who confirmed that he will be traveling with Endara and Foreign Minister-designate Gabriel Lewis Galindo, abstained from commenting on Panama's position during the fourth Ibero-American summit since he "respects the direction" followed by the current administration.

Lewis Galindo said that the president-elect will try to recover the international prestige Panama earned during General Omar Torrijos' (1968-1981) era. He added that the Panamanian Foreign Ministry will do its utmost to attain readmission into the Rio Group from which it was excluded as a result of the crisis caused in 1988 by former Gen. Manuel Antonio Noriega, currently imprisoned in Miami (United States) on drug trafficking charges.

This June, Endara's successor plans to undertake a hectic international initiative that will take him to the Middle East, Costa Rica, and Colombia aimed at strengthening Panama's international relations.

When asked by ACAN-EFE about the main guidelines of his foreign policy, Perez Balladares indicated that he plans to create the necessary mechanisms to ensure the definite transfer of the inter-oceanic canal by the United States on 31 December 1999, as stipulated by the 1977 Torrijos-Carter Treaty. The treaty signed by Torrijos and Former President Jimmy Carter establishes that the United States will transfer the canal and dozens of military bases distributed along the country's 80-km length to Panama's jurisdiction on a date no later than the last day of this century. The president-elect acknowledges that during the first years of his administration his main objective will be to prepare everything for the Panamanians to efficiently take control of the canal.

In addition, he intends to ensure Panama's inclusion in NAFTA.

Endara, Perez Balladares Appoint Transition Team

PA1205191094 Panama City Telemetro Television Network in Spanish 1730 GMT 11 May 94

[From the "Telemetro Reports" newscast]

[Text] After President-elect Ernesto Perez Balladares announced the designation of Jose Luis Sosa as his representative to the Government Transition Commission, Arnulfista Party sources said President Guillermo Endara has appointed Joaquin Fernando Franco, vice president of the Authentic Liberal Party, and Eduardo Linares, deputy planning and economic policy minister, as his representatives.

National Police Director To Retain Post

PA1205232694 Panama City Circuito RPC Television in Spanish 2300 GMT 11 May 94

[Report by Fernando Fernandez; from the "RPC Television News" newscast]

[Text] National Police Director Oswaldo Fernandez has agreed to remain in his post and work in the government of Dr. Ernesto Perez Balladares.

President-elect Ernesto Perez Balladares, upon his arrival for a meeting with the National Police director, said he will not yet officially announce who will make up his cabinet, but said he will seek the desired national consensus.

[Begin recording] [Perez Balladares] There is a positive atmosphere to achieve a consensus, which all Panamanians want and for which, I understand, the Panamanian people voted.

[Unidentified reporter] Could this attempt at a consensus lead to some problems within the Democratic Revolutionary Party [PRD]?

[Perez Balladares] No, our party will be very well represented in the cabinet and in all government posts because it is also the party that obtained the most votes. The party has the political maturity to understand that to achieve a consensus it is necessary to allow other forces to participate, otherwise there will not be a consensus. We cannot speak of good intentions only. We have to put them into practice. [end recording]

The meeting, which was held in the office of National Police Director Oswaldo Fernandez, lasted over two hours. Some of Perez Balladares' top advisers participated.

As he was leaving, the Panamanian president-elect broke the tight security to greet the personnel working in this public security institution.

National Police Director Oswaldo Fernandez said the meeting with the president-elect was to brief him on the Public Force, its organization, and the future support for this institution by the new government. Fernandez also talked about Perez Balladares' offer to have him remain as the institution's director. Fernandez said he accepted after President Guillermo Endara also asked him to stay.

[Begin recording] [Fernandez] We decided to remain here. As I told your colleagues a moment ago, it was not an easy decision for an attorney who had already been nominated for a post in the Supreme Court.

[Reporter] What motivated you to stay?

[Fernandez] The primary reason was that both the incoming and outgoing presidents asked me to stay. In addition, I have also received requests from many people in the National Police, especially policemen, sergeants, and corporals, who asked me to stay with the institution. If both presidents thought I should remain as director, it was not because I was the best but because of the work accomplished by the National Police. The work has been carried out thanks to those people, who asked me to stay with them. [end recording]

Correction to Roundup of Economic Developments

PA1205201594

The following correction pertains to the item in the 11 May 1994 Latin America DAILY REPORT headlined "Roundup of Economic Developments," page 24:

Column two, paragraph two, make read ...will receive $1.477 million in wage increases ...(adding dropped word "million")

Argentina

Cavallo Discusses Cooperation With Chile's Frei

PY1205122694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0119 GMT 12 May 94

[Report by special correspondent]

[Text] Santiago, 11 May (NA)—Today, Economics Minister Domingo Cavallo and Chilean President Eduardo Frei agreed it is necessary to advance in the physical integration between the two countries, through joint projects like the construction of a bridge, which links Mendoza with Santiago.

Cavallo met the Chilean president at La Moneda Palace, the Chilean government house. They reviewed the implementation of a number of bilateral projects including the construction of a tunnel, 2 km below the current one.

After meeting with Frei, Cavallo emphasized that companies with the required equipment are interested in this project. Cavallo noted that these companies constructed the tunnel under the English Channel, linking France with England. The minister indicated that this project would be implemented through "an investment system involving tolls and contributions by both countries."

A feasibility survey for constructing a border pass in the north is planned within the framework of integration. This project may begin in the city of Jama in Salta Province or the city of Sico in Jujuy Province. The chosen city will be linked with the Chilean city of Antofagasta.

Chile is very interested in receiving Argentine gas supplies while our country is especially interested in increasing the volume of national products through ports on the Pacific Ocean.

Cavallo announced that formal negotiations on the latest economic cooperation agreement will be held by the Argentine and Chilean Foreign Ministries within 30 days.

Concerning the possibility of Chile joining Mercosur [Common Market of the South], Cavallo said Frei "did not express a final response," but "reacted favorably to the idea." Chile is fully concentrating its energies on joining NAFTA and still has strong reserves on some Mercosur points. Chile believes there must be a gradual advancement toward free trade because it has problems adjusting its agriculture, especially grains and meat.

Cavallo accepted this idea, noting that "any advancement must be gradual because it is not possible to achieve zero tariffs in intraregional trade overnight." Cavallo emphasized that it is necessary to remove nontariff barriers which could "affect free trade." He noted that "realistic hygienic standards for vegetables and animals" alone should suffice.

The minister said he trusts the free-trade zone will be achieved on 1 January 1995, as established in the Treaty of Asuncion, and expressed hopes that a final decision on a common tariff system will be well advanced by then.

Cavallo on Trade Deficit, Labor Talks, Reform

PY1205233894 Madrid EFE in Spanish 1706 GMT 12 May 94

[Text] Santiago, 12 May (EFE)—In an interview published in LA EPOCA today, Argentine Economics Minister Domingo Cavallo said that the large deficit in his country's trade balance "is a symptom of health" because the increase in imports corresponds to capital goods.

Cavallo, who yesterday concluded a two-day visit to Santiago, said: "The impressive pace of investment in Argentina has meant a significant increase in machinery imports."

He added that the trade balance deficit "does not worry us at all" because imports are financed, and the deficit is being compensated with the capital account surplus of the balance of payments.

Cavallo explained that the government of President Carlos Menem is working on the regulations for labor negotiations, which he labeled as "a more flexible operation of the labor market."

Cavallo added: "We are addressing health, social welfare, and economic reforms in the provinces. The provincial governments have a great responsibility in the areas of security, justice, health, and education."

He asserted that the reforms are greatly supported by the Argentine people, and will continue no matter who heads the next government. He added, however, that if the Constitution is reformed President Menem will probably be reelected.

Asked about the fact that Argentina is becoming an example for Brazil, Cavallo said: "The future of the Latin American countries is closely linked, and therefore it is important for everyone that Brazil do well."

Cavallo noted: "I believe that being able to contribute our experience to the future of such an important country as Brazil is for me very pleasing."

Security Supersecretariat Causes 'Bewilderment'

PY1305031994 Buenos Aires CLARIN in Spanish 12 May 94 pp 2-3

[Text] With a decision that caught most government officials by surprise, President Carlos Menem yesterday decided to group the Federal Police, the Coast Guard, and the Border Police, that is, the entire state security apparatus, under a future Secretariat for State Security. Menem chose Julian Licastro, a retired Army lieutenant with a long career within the Peronist party, to head this

supersecretariat (it might also include management of the Secretariat for State Intelligence, SIDE).

In designing the new secretariat's structure Menem did not seem to realize some details: The future secretariat undermines the powers of the Defense Ministry and Interior Ministry.

When the news had already spread outside the presidential office, the government was forced to issue a press communique in an attempt to calm the debate prompted by the proposal.

Some government officials attributed this initiative to [Economics Minister] Domingo Cavallo's team. One of Cavallo's team members even told CLARIN that on 8 May Licastro met the economics minister. In an attempt to explain Cavallo's alleged meddling in this issue, the source noted: "The management of roughly $2.6 billion that is spent on security is involved."

The official communique was issued late after the reports had already astonished SIDE, Defense Ministry, and Interior Ministry officials. SIDE, the Defense Ministry, and the Interior Ministry had been dealing with pieces of rumors, prompting an atmosphere of bewilderment and irritation. This atmosphere spread to the security forces involved.

To soothe the uproar, but raising more questions, the press communique's first paragraph notes: "As it is necessary to achieve an effective coordination among the various security forces involved in the protection of public property and in the struggle against crime and drug trafficking, the president of the nation has given instructions to the interior and defense ministers to study the formation of a State Secretariat for Interior Security.

Social Violence

Nevertheless, the communique did not manage to clear other doubts: Would the Drug Enforcement Secretariat, headed by Alberto Lestelle, also be included in the same package? Will SIDE, as had initially been indicated, be included or not? Will this be the organization to command the rapid deployment units that are being planned to repress social disorders that overwhelm the provincial police? It seemed that no one at Government House last night had any response to these issues.

The official communique's belated caution, with announcements such as "to study the formation of" or "to plan the new organization's operational structure," was prompted after those covered by the Interior Security Law at their fingertips went to the Government House to caution about the legal and political challenges that will undoubtedly be raised by various circles, including the security forces themselves.

This issue will be discussed during a cabinet meeting at the Olivos presidential residence. Menem's proposal seeks to group military units, intelligence activities, and drug enforcement forces under a single head. This disagrees with the spirit and provisions of a law agreed upon between Peronists and Radicals, who also make up a bicameral monitoring committee that was also not consulted before taking this step.

Nevertheless, an official involved in drawing up legal standards and decrees assured CLARIN that a presidential decree alone would be required to establish the new secretariat. This official, however, emphasized that such a presidential decree has not yet been drawn up, and that Licastro has not yet been appointed as secretary.

The source actually noted that in order to establish a secretariat of such characteristics, the Interior Ministry's Undersecretariat, headed by Hugo Franco would be dissolved and at least the status of SIDE would be changed.

Bolivia

Government Coalition Facing Threat of Collapse

PY1205232494 Madrid EFE in Spanish 1647 GMT 12 May 94

[Text] La Paz, 12 May (EFE)—The government coalition in Bolivia is facing the immediate threat of losing one of its allies and being left without an absolute majority in Congress.

Max Fernandez, leader of the populist Solidarity Civic Union (UCS), whose deputies guarantee the government's absolute majority in Congress, harshly criticized President Gonzalo Sanchez de Lozada after threatening to withdraw his support.

So far the special session of Congress called for 9 May by Sanchez de Lozada has not been held, because the UCS, in a demonstration of force, has joined the opposition in boycotting the president's call.

Sanchez de Lozada "is worse than a dictator" said Max Fernandez, according to his remarks published by LA RAZON today.

The president "has no reason to tweak my ears, because I am not anybody's boy. I am a businessman and a person who deserves respect," said Fernandez, who is the majority owner of the National Brewery, one of the largest companies in the country.

Max Fernandez announced he will meet with Sanchez de Lozada in the next few days, assuring that "by God, it will be the last and definitive meeting between the president and myself."

Sanchez de Lozada, heading the Nationalist Revolutionary Movement (MNR), won by a simple majority the 6 June 1993 elections.

Thanks to a pact with the UCS, Sanchez de Lozada was elected president by Congress and was able to form a government coalition supported by an absolute congressional majority.

On several occasions Max Fernandez has expressed his dissatisfaction with his party's share of power in the government, and criticized the president for not consulting with him on important decisions before implementing them.

As a result of the government pact signed with the MNR, the UCS heads the Defense Ministry, some secretariats, and embassies.

The other MNR ally is the social democratic Free Bolivia Movement (MBL), whose seven deputies do not guarantee the government's absolute majority. The MBL runs the Foreign Ministry through its president [Antonio Aranibar] who is the cabinet chief and foreign minister.

The MNR has 52 of the 130 seats in the Chamber of Deputies, and depends on the 20 seats of the UCS to have an absolute majority.

Roundup of Economic Reports

PY1205221894

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 12 May.

The National Statistics Institute reported that mining production improved in the year's first quarter as a result of gold exploitation that increased 113 percent. It rose 9.4 percent in March, an increase of four points compared with the previous two months. Mining exports increased by 17.7 percent. (Santa Cruz EL MUNDO in Spanish 1 May 94 National Section p 2)

National Industry Chamber President Gary Lacunza expressed his concern to President Sanchez de Lozada over the drop in the GDP growth rate between 1991 and 1993. He reported that from a growth rate of 7.2 percent in 1991, it dropped to 3.37 percent in 1992 and reached no more than a 1.08 percent increase in GDP in 1993. (Santa Cruz EL MUNDO in Spanish 1 May 94 National Section p 1)

During his recent visit to Germany, Foreign Minister Antonio Aranibar Quiroga obtained a $30 million credit that will be used to implement several projects in Santa Cruz, Oruro, and Beni Departments. The Bolivian Foreign Ministry reported that German cooperation totalled $380 million in the 1989-1993 period. (Cochabamba LOS TIEMPOS in Spanish 3 May 94 p A6)

The Spanish Government granted an $85 million loan to Bolivia during a visit to Spain by Economic Development Minister Fernando Cossio and Foreign Minister Antonio Aranibar. (La Paz PRESENCIA in Spanish 4 May 94 p 12)

The INE reported that the April inflation rate was 0.49 percent and that the cumulative inflation rate was 1.79 percent in the year's first four months. (La Paz HOY in Spanish 4 May 94 Economic Section p 17)

The foreign debt totalled $3.788 billion through 31 December 1993, of which $2.1 billion are owed to multinational organizations and $1.62 billion to bilateral institutions. The Inter-American Development Bank is the main multilateral creditor, with $1.223 billion, while Japan is its main bilateral creditor with $507 million. (La Paz HOY in Spanish 5 May 94 Economic Section p 20)

Brazil

Officials on Army Role, Federal Police Demands

PY1205133494 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 12 May 94

[Text] Federal Administration Secretary Romildo Canhim has said there is no Army intervention in the Federal Police because the military are not fulfilling the functions of federal policemen, like controlling and issuing passports.

Civil Household Chief Henrique Hargreaves said government action is not against the strike, but against disorder and indiscipline. Hargreaves added that their demand for salary parity with those of civil policemen is illegal.

Police Director Guarantees Situation 'Normal'

PY1205132594 Brasilia Voz do Brasil Network in Portuguese 1000 GMT 12 May 94

[Text] The Army was merely summoned to act jointly with the Federal Police [PF] in a move to guarantee the freedom of transit. At present, the situation is normal throughout the country with the exception of three capitals. The cabinet chief of the PF Department in Brasilia guarantees that the situation has returned to normal.

On 11 May, Jose Roberto da Silva, the cabinet chief of Colonel Wilson Romao who is the Federal Police director general, reported that except for Brasilia, Sao Paulo, and Belem [Para State], 30 percent of PF administrative personnel are working normally in the other states. Da Silva added that the issuance of passports is normal nationwide and borders are under control.

He explained that the Army was summoned to guarantee the right to move freely of those civil servants who wanted to work. Col. Romao personally requested the Army to step in after PF strikers, who have been out for 54 days, prevented civil servants from entering the Federal Police Department building on 10 and 11 May.

Yet, the Army personnel were summoned to Brasilia in the early hours of 11 May by express order of President Itamar Franco. They cordoned off the PF headquarters and were deployed in other places of the city, including

the Ministries Esplanade. Army personnel were supported by four helicopters of the Army Special Brigades stationed in Rio de Janeiro. Da Silva said the Army personnel will continue to be deployed in Brasilia, Belem, and Sao Paulo until the end of the strike.

Col. Romao was to have held a news conference early this morning, but declined to talk to the press. The Army Communications Center reported that only the PF and Planalto Palace will inform the public about the latest developments in this issue.

Federal Policemen Condition Return to Work

PY1205172994 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 12 May 94

[Text] Passport issuance at the Federal Police building in Sao Paulo has returned to normal, yet Army soldiers are still guarding Federal Police buildings. The street on which the Sao Paulo Federal Police Superintendency is located remains closed to traffic. Some 50 Army troops armed with rifles have cordoned off the sidewalks. No one has been allowed to pass without declaring his destination.

Today, passport issuance returned to normal. Delegates and officials of the Federal Police administrative area are serving the public. Some 1,500 passports are expected to be issued today.

This morning, federal policemen held a meeting and decided to reject a federal government proposal to maintain 30 percent of policemen at work. The matter was not even voted on by the policemen.

[Begin Federal Policemen Union President Lauro Trapp recording] If the salary law is not complied with, we will not return to work. [end recording]

Government To Ask Mexico for Compensation for NAFTA

PY1305015494 Madrid EFE in Spanish 0116 GMT 12 May 94

[Text] Brasilia, 11 May (EFE)—Official sources reported here today that the Brazilian Government will ask Mexico for compensation for possible losses our country may sustain as a result of the tariff benefits Mexico will be granting to its NAFTA partners, the United States and Canada.

The Latin American Integration Association (ALADI) has decided that Mexico should compensate any of its 10 ALADI partners whose exports may be hurt by NAFTA. By compensating them, Mexico will be exempted from the ALADI requirement of sharing the benefits it may obtain through NAFTA with the other ALADI members.

To obtain a waiver for this requirement, Mexico will have to negotiate compensations with those ALADI members whose exports to Mexico may be hurt by NAFTA.

Arthur Denot Medeiros is the Brazilian Foreign Ministry under secretary for integration, economic affairs, and foreign trade. He said: "Waivers will be conditioned to compensatory negotiations." Denot added that this solution will contribute to preserving ALADI, "which has been institutionally weakened" since Mexico joined NAFTA.

Franco Meets Visiting Romanian Prime Minister

PY1205021494 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 11 May 94

[Report by Renata Verissimo in Brasilia]

[Text] Today, President Itamar Franco met with Romanian Prime Minister Nicolae Vacaroiu in the main hall of Planalto Palace. After attending a military parade, they discussed trade and economic relations between the two countries.

Brazilian-Romanian trade last year stood at $38 million. Brazil exports iron ore, instant coffee, and soybean bran to Romania; and it imports transformers, roller bearings, and railroad ties.

According to Itamaraty advisers, negotiations are under way for Brazilian companies to participate in the modernization of Romanian highway, railway, and telecommunications systems.

After their meeting, Franco and Vacaroiu had lunch at Itamaraty. In his welcome speech, Franco said the political and economic changes that had taken place in Romania will pave the way for strengthening economic and political relations between the two countries.

Landless Demonstrate, Create 'Huge Confusion'

PY1305035494 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 May 94

[Text] Landless farmer groups have invaded public buildings and created huge confusion in the traffic in four state capitals. In Pernambuco, they caused a traffic jam and occupied the INCRA [National Land Reform and Settlement Institute] headquarters in Recife. The invaders want the government to accelerate the expropriation of farms in the interior of the state. The INCRA regional superintendent blamed the delay on bureaucracy.

In Fortaleza, Ceara State, 400 invaders have been occupying the Legislative Assembly since last night. Police are preventing other demonstrators from entering the building. The demonstrators demand the payment of emergency front salaries which are due. They have not received their salaries for 45 days. The payment must be made by the federal government. After meeting Governor Ciro Gomes, the invaders decided to leave the Legislative Assembly late in the afternoon. The governor promised to do his best to ensure payment of the overdue salaries and to convince the government to increase the emergency front salaries.

In Maceio, Alagoas State, the invaders have been in the Finance Ministry offices since 9 May. It was decided in a meeting that on 16 May they will receive seeds and basic foodstuff baskets, but the invaders decided to remain in the offices until the seeds and food are delivered.

On the third day of demonstrations in Porto Alegre, the landless farmers marched along downtown streets and caused huge traffic jams. They walked up to the government palace and tried to meet with Governor Alceu Collares. They want land for settlements, credits for small farmers, and a meeting with the finance minister. The striking invaders even barred the finance minister's entrance to the Finance Ministry. Here is Alexandre Garcia's report:

[Begin Garcia recording] Finance Minister Rubens Ricupero has been the victim of two incidents that could have had serious consequences if it had not been for his common sense.

The first incident occurred during a class he was teaching at Brasilia University, where he has been teaching for the last 24 years. Strikers invaded the classroom carrying a coffin and CUT [Sole Workers Center] flags. The professor suspended the class and walked toward his car in the parking lot. He was followed by the strikers, who were threatening the professor and minister.

The second incident occurred after lunch yesterday, when he was returning to the Finance Ministry and found the entrance door blocked by members of the Landless Farmers Movement who were carrying CUT flags. He turned around and went to his Planalto Palace office.

The finance minister reported on these incidents a few minutes ago. He said the incidents seemed to have been coordinated so as to be conducted throughout the country as a political strike against the economic plan. He pointed out that even the CUT national treasurer had admitted that. As an example, he mentioned that the offices of the Finance Ministry in four capitals have been simultaneously invaded. He added that these methods are not democratic. [end recording]

We will now report on reactions to the strikes and the invasion of public buildings nationwide:

[Begin recording] [Deputy Miro Teixeira; Democratic Labor Party, Rio de Janeiro] I do not believe, for example, that to maintain a minister inside his ministry's facilities, as if he were in a private prison, can benefit strikers. These incidents, however, may have been carried out by an agitator infiltrated into the movement.

[Deputy Artur da Tavola; Brazilian Social Democracy Party leader] The PT [Workers Party] radical sector wants to unite the people around the excuse of the salary demand. The most reasonable PT sectors are hurriedly trying to extinguish this fire, but it has already given birth to the dragon that is now giving orders.

[Deputy Chico Vigilante; PT deputy leader] These strikes have no political objective whatsoever. These strikes have economic reasons: The workers are demanding regaining their salaries' purchasing power.

[Senator Marco Maciel; Liberal Front Party leader] As the strikes seek to destabilize the economic plan, they will result not only in political and electoral harm, but will also harm the country itself.

[Jair Meneghelli; CUT president] These strikes logically help, as they enable workers to obtain compensation for losses resulting from the Fernando Henrique Cardoso plan.

[Enilson Simoes de Moura; Union Force secretary] The recent strikes have clearly caused large electoral losses. There is a clear movement aimed at giving social consistency to Lula and PT criticism of the economic plan currently in force in the country. [end recording]

PT's Lula Criticizes U.S. 'Inaction' in Haiti

PY1205025394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 May 94 p A6

[Article by Paulo Sotero]

[Text] Washington—Yesterday, PT [Workers Party] presidential candidate Luis Inacio Lula da Silva said he supports, in principle, the idea of "using a multinational military force to restore democracy in Haiti." He said the coup d'etat against President Jean-Bertrand Aristide was "as grave" as Saddam Husayn's invasion of Kuwait. In what was apparently a veiled criticism of U.S. inaction in the case of Haiti, Lula said he does not agree with "the policy of double weights and double measurements."

These were Lula's first meaningful statements on foreign policy during his trip to the United States. Lula proposed the creation of "more agile mechanisms" to respond to attacks against the democratic order in Latin America. He criticized the proposal to create a permanent military force under the OAS to protect the region's democratic regimes, however. He said that under a PT administration, Brazil will not attempt to take a leadership role "on this specific question." Brazil will participate with other countries of the region in initiatives and actions that respect the principle of self-determination.

During a luncheon with U.S. legislators, and afterwards during a public audience at the U.S. Congress, Lula diplomatically criticized the U.S. trade embargo against Cuba right in front of the measure's main supporter in Congress, New Jersey Democratic Representative Roberto Torricelli. Torricelli heads a House of Representatives foreign relations subcommittee, and was Lula's host on the occasion. "The embargo is against President Fidel Castro. It is not fair because the Cuban people

suffer the consequences," Lula said. "I do not understand an initiative that has the purpose of protecting human rights in Cuba, but which leaves innocent Cuban children without food and medicines." Lula expressed hope that the U.S. Government would put aside its lasting animosity toward Cuba. He mentioned the agreement between Israel and the PLO as an example of an attitude that deserves to be followed. "Eight months ago, I visited Israel and met with the Israeli prime minister. At that time, a peace agreement with the Palestinians seemed impossible, but today the agreement is a reality."

The third day of Lula's tour of the United States was also marked by moderation. On 10 May, he spoke before nearly 300 sympathizers who crowded a large amphitheater at Harvard University Law School. On the occasion, Lula and main economic adviser Aloizio Mercadante set aside the carefulness they had exhibited during their meetings with entrepreneurs. Sitting in front of them were some 50 Brazilians who study at Harvard. But most of those attending the meeting were young descendants of the tens of thousands of Brazilians who live in Boston's surroundings.

But Lula regained the moderate tones that had characterized his meetings with bankers and New York business executives during his public and private meetings in Washington yesterday. Lula added a new line to the discussions on the foreign debt, an unavoidable topic at all meetings. He reiterated that if he is elected president he will not try to renegotiate the debt, "which has already been approved by the Senate. Some people find it difficult to accept the PT's disagreement with present debt agreements, which is very interesting, and the fact that we want to talk about it with creditors. These people do not react in the same way when the Dart family, whose members have $1.4 billion in Brazilian foreign debt titles, threaten to sue Brazil."

Lula said during his meeting at the U.S. Congress that he will accept international financial and technological cooperation to design a sustainable development policy for the Amazon region "within a framework of absolute respect for our national sovereignty."

Lula visited the THE WASHINGTON POST headquarters, where he was received by honorary president Katherine Graham. He also had an unscheduled meeting with Jim Hackney, Department of Commerce under secretary for Latin America [title as published], who promised to arrange a meeting with Secretary of Commerce Ronald Brown when he visits Brazil at the end of the month. Lula's agenda today will begin with a breakfast with Richard Feinberg, National Security Council adviser for Latin America [title as published], and will end in New York with a reception at the residence of Ronaldo Sardemberg, Brazilian ambassador to the United Nations.

Tomorrow, Lula will test his knowledge of economic issues at a forum with experts organized by Inter-American Dialogue. He will not have the help of Mercadante, who returned to Brasilia yesterday to participate in the vote on the process to strip Deputy Ricardo Fiuza of his privileges. Lula's visit to the United States will end tomorrow with a luncheon for nearly 700 people at the Hotel Marriott Marquis on Broadway.

Chamber of Deputies Acquit Deputy Ricardo Fiuza

PY1205160994 Brasilia Voz do Brasil Network in Portuguese 1000 GMT 12 May 94

[Excerpt] Pernambuco Deputy Ricardo Fiuza, against whom charges were made by the CPI [Congressional Investigating Committee] that delved into the budget scandal, was acquitted by a plenary session of the Chamber of Deputies on the evening of 11 May.

The request for his removal from office, which was recommended by the Budget CPI, had already been rejected by the Constitution and Justice Committee but it had to be voted by the House plenum. It was voted down 208 votes for, 232 against, with 15 abstentions.

The Chamber of Deputies thus acquitted Deputy Fiuza, who was accused of being implicated in the Budget mafia. To have him dismissed, the request had to be carried by 252 votes.

Few deputies commented on this vote at the end of the sitting. Deputy Fiuza, former social welfare minister and former leader of the PFL [Liberal Front Party], heaved a sigh of relief upon learning the result. He said he will retire from public life.

[Begin Fiuza recording] I did not resign and I answered everything. I am now in a position to say that I will no longer stand as candidate for anything. I will retire from public life. I am the first victim of the fascist repression in Brazil. [end recording] [passage omitted]

Roundup of Economic Reports

PY1305020094

[Editorial Report] The following is a compilation of reports on economic activities monitored through 12 May.

In 1993, Brazilian industrial productivity grew by a record 18.78 percent with respect to 1992, when it grew 4.86 percent with respect to 1991. This information was released on 5 May by Yolanda Ramalho, chief of the Economic Department of the National Bank for Economic and Social Development. Ramalho explained that the productivity rise caused unemployment to grow 1.7 percent among industry workers, while the dollar value of salaries paid in 1993 grew 10.88 percent. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 May 94 p B4)

During the first quarter of 1994, Brazilian electric power consumption grew 2.8 percent with respect to the same

period in 1993. This growth rate did not reach the expected 4 percent rate that had been estimated by Eletrobras' [Brazilian Electric Power Company, Inc.] market department. (Sao Paulo GAZETA MERCANTIL in Portuguese 5 May p 14)

The April inflation rate measured by Getulio Vargas Foundation totaled 42.46 percent. It was 2.3 points lower than the March rate. The Agricultural Wholesale Price Index in April totalled 36.88 percent, almost 12 percent less than in March. Industrial prices remained stable, decreasing from 42.06 percent in March to 41.90 percent in April. Compared to March, retail sales prices, however, increased 2.1 points in April, ending at 45.57 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 May 94 p 3)

The level of employment in Sao Paulo industries fell 0.26 percent in April, with 5,792 industrial workers being dismissed. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 May 94 p 10)

The profile of the Brazilian trade balance in the first quarter of 1994 shows that imports in general increased. Capital goods imports increased 41.5 percent and totalled $2.35 billion, while consumption goods imports increased 29.8 percent and totalled $645 million. Brazilian exports from January to March reached their second best level in the country's history, totalling $8.8 billion. Brazilian exports to the PRC, however, decreased 67 percent during the quarter, totalling only $98.2 million. Brazilian sales to Latin American Integration Association member countries, except Argentina, dropped 6.74 percent, showing that the developing countries, which always supported Brazilian sales abroad, are responsible for a 91 percent drop in overall Brazilian exports. (Sao Paulo GAZETA MERCANTIL in Portuguese 10 May 94 pp 1, 3)

Avibras Expands Civilian Production Activities

Cooperation Accords Signed

94SM0334ASao Paulo GAZETA MERCANTIL in Portuguese 12 Apr 94 p 12

[Article by Sao Jose dos Campos correspondent Virginia Silveira]

[Text] Avibras Aerospace Industry, Inc., a company that specializes in developing military defense materiel, is investing in an expansion of its civilian products business, which still represents only 30 percent of annual sales. Last month, the company concluded two technological cooperation agreements for development of mobile satellite communications systems and optoelectronics components used in optical communications.

The first agreement, signed with Embratel [Brazilian Telecommunications Company, Inc.] and Simac Systems, a Dutch company, calls for distribution of the Logiq system in Brazil. That system is used to manage fleets of vehicles via Inmarsat satellites, owned by an international consortium of which Embratel is a member. Avibras, according to its vice president Rubens Domingues Porto, will supply the complete system, including installation, training, and technical assistance.

The Logiq system, Porto said, will permit a user to locate and track his fleet automatically, to plan routes, give instructions and directions, and exchange information between each vehicle and the user's company. "Communications can be exchanged 24 hours a day," the vice president emphasized.

Optoelectronics

Through its Fiber Optics and Telecommunications unit, Avibras will also manufacture optoelectronics components (lasers, optical receptors, amplifiers, etc). The project is being carried out with technical support from Telebras [Brazilian Telecommunications, Inc.] and Hewlett-Packard's Components for Fiber Optics Division. The firm, according to Porto, will initially supply submodules for assembly and encapsulation of the devices in Brazil.

The partnership agreement with Hewlett-Packard, the Avibras official said, will permit nationalization of the production and exclusive distribution of the components in Brazil and the rest of South America.

Avibras Fiber Optics is also preparing to enter the fiber optics market within the next 12 months. "We are finishing work on the facilities for the unit, in which $6 million has already been invested," he reported.

Before it can begin operating, Porto said, the fiber optics will need another $4 million, which would be used to import equipment. The company predicts an annual market for 100,000 to 150,000 kilometers of fiber optics in Brazil.

The new Avibras factory will make fiber optics by the MCVD (Modified Chemical Vapor Deposition) process, using technology developed by Telebras's Research and Development Center (CPqD) and support from S.G. Control, a British firm.

Profits Fall in 1993

94SM0334B Sao Paulo GAZETA MERCANTIL in Portuguese 12 Apr 94 p 23

[Article by Sao Jose dos Campos correspondent Virginia Silveira]

[Text] Avibras Aerospace Industry, Inc., a war materiel manufacturer, showed a net profit of $21.2 million for 1993. This result, although positive, was not considered significant for the company. "The inflation-induced profit, which looks good, is fictitious and was caused by distortions in Brazilian monetary legislation," said Avibras Vice President Rubens Domingues Porto.

Last year the company's net profit was larger—about $22.9 million. In reality, as Porto said, the figures on the

balance sheet show that the company, although still operating under Chapter 11, has been able to pay its bills and still maintain a reasonable level of sales. Avibras's net operating profit in 1993 was $122.5 million, down 9.2 percent from 1992.

The drop in revenues, according to Porto, still reflects the reduction in the number of military contracts, which account for 70 percent of company sales. The crisis at Avibras began in 1987, with the end of the Iran-Iraq war and the suspension of payments by Iraq for units of the Astros-2 saturation rocket launching system. In January 1990, when the company filed for Chapter 11, its debts were estimated at $458 million.

Debts Paid

According to the company vice president, the debts under the Chapter 11 proceedings were paid off in January 1992 when the company deposited the second installment on the debt. The Chapter 11 restrictions have not been lifted, however. "Some suppliers were not satisfied with the amounts we deposited," Porto said.

During the Chapter 11 process, overall company indebtedness declined. "For the past four years, we have been unable to take out any bank loans or buy anything on the installment plan," he explained. In 1993, company indebtedness fell from 47 percent to 38.5 percent. Short-term debts, according to Porto, amount to about $43 million. Once the country's leading exporter of armaments, with net sales of $390 million during the 1980's, Avibras now survives by selling products to the civilian sector and filling small technical assistance contracts, and supplying parts and spares under old Astros-2 rockets systems contracts.

The firm's latest sale of war materiel, according to its vice president, was to Angola, last year. "We sold the Angolan army Sbat 70 air-to-ground rocket systems—rockets fired from aircraft," he commented. He said the contract was worth $3 million.

Selling Services

Taking advantage of the advanced technology it developed through the manufacture of military products, Avibras is selling products and services in the fields of computer technology, chemistry, and telecommunications. The company's computer technology unit, set up last year, sold about $100,000 worth of 386 and 486 PC's, diskettes, and videotapes. The telecommunications division has been successful in selling satellite communications systems.

The fiber optics unit that is now being installed has already received investments on the order of $6 million. The company estimates the market for fiber optics in Brazil at between 100,000 to 150,000 kilometers annually. The sector that used to make rocket fuel and explosives has been reoriented to make waterproofing compounds for the construction industry and chemical products for parts molding.

Colombia

Gaviria: Ruling on Drug Use Not To Affect Struggle

PA1205190294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1742 GMT 12 May 94

[Report by Sandra Vergara from the "National Newscast"]

[Text] President Cesar Gaviria has not regressed regarding the elimination of sanctions for personal drug use. Today, he warned the ruling of the Constitutional Court does not affect the struggle against drug trafficking.

Today, the president of the republic, speaking at the General Santander National Police Academy, made categorical remarks on the elimination of sanctions for personal drug use. He said he does not agree with this decision because several fundamental rights are at stake, including the right to security and tranquillity of Colombians.

[Begin Gaviria recording in progress] ...who believe that the interpretation of Article 16 of our Constitution, which contains the right to personal independence, cannot be taken to extremes bringing us to an individualistic society. In this case, various rights come into conflict and the Court should have pondered the value of each right, should have tried to reconcile them, and should not have disregarded the rights to security, health, and tranquillity of Colombians.

The government believes that carrying and consuming drugs for personal use should continue to be prohibited. [end recording]

The president of the Republic concluded that severe restrictions will be adopted so that drug consumption will not take place in public places, schools, or universities, or so that drugs will not be consumed by minors, pregnant women, or by people doing jobs involving dangerous activities.

Issues Instructions To Fight Violence

PA1105232994 Santa Fe de Bogota EL TIEMPO in Spanish 5 May 94 p 9A

[Text] Yesterday, President Cesar Gaviria gave a number of instructions to the country's mayors, governors, policemen, police detectives, and the administrative institutions that deal with public order.

In a directive defining the guidelines for national strategies against violence, the Security Advisory Board listed nine [as published] fronts of action to fight common delinquency and organized crime.

Anti-Violence

The National Police, the Defense Ministry, and security organizations, under the coordination of the Prosecutor

General's Office, must create and support the Specialized Homicide Brigades to be deployed in the most critical regions to promote gun control.

The Armed Forces will toughen their fight against subversion by training their staff and broadening their operational capacity by means of carrying out other actions to attack the financial sources of the subversion and the groups that embrace private justice and common delinquency.

In short, according to the directive, the DAS [Administrative Department of Security] will coordinate with the Prosecutor General's Office, the Finance Ministry, the Bank of the Republic, and the National Superintendency of Banks on the development of specific plans to curtail money laundering, irregular money inflows, and illegal enrichment.

In due time, the government will promote campaigns asking citizens to help eradicate kidnappings. Meanwhile, the Defense Ministry will adjust budget guidelines to improve the performance of the Unase [Antiextortion and Kidnapping Unit].

Justice

The directive goes on. Mayors and governors must give priority to developing local security plans, which must be submitted to the National Security Council before 30 June. These officials must also prepare the Justice Development Plan, update the infringement system [regimen de contravenciones], promote the mechanisms for out-of-court conflict settlements, and cooperate in the consolidation of the Prosecutor General's Office and the legal system.

Meanwhile, the National Penitentiary and Prison Institute must expedite the construction of six new prison centers and bolster the maximum security wings.

Police Force

The Defense Ministry must increase the presence of policemen nationwide. The goal is to increase the number of professional soldiers by 10,000 in two years and to create two new mobile brigades.

Likewise, within a month, the National Police must champion the Career Statutes and conduct evaluations of the agenda of the Immediate Attention Centers (CAI) to improve their performance. The National Police commissioner, meanwhile, must restructure within two months the procedures to respond to the complaints of citizens.

Intelligence

According to the new presidential directive, the Defense Ministry must strengthen the channels of coordination among security agencies and upgrade communications systems to ensure that all intelligence organizations are linked within three years.

Policemen, the DAS, and the Prosecutor General's Office must prepare a counterintelligence program to avert subversion and drug trafficking infiltrations and to prevent internal corruption within the State's security corps.

Peace and Reintegration

Those guerrilla groups that show a resolute willingness to rejoin civilian life will benefit from reintegration plans that include judicial and sociopolitical guarantees, as well as security guarantees.

Only the president, through the Peace Counseling Board and the National Rehabilitarion Plan, will hold talks and negotiations with those groups who accept preestablished conditions.

President Gaviria reaffirmed the validity of the reintegration plans for guerrillas to rejoin civilian life and said that mayors and governors will actively participate in the implementation of these plans to guarantee that the commitments included in the political agreements of each department will be honored.

Options for Youths

The Education Ministry, with the help of the private sector, will persist in promoting efforts to achieve the expansion of high school education through the creation of 600,000 new high school openings by 1995.

The Labor Ministry, with the help of governors, mayors, and the Presidency, will promote the development of local, national, and regional programs to offer counseling, orientation, and training to potential entrepreneurs and job-seeking youths.

Human Rights

The presidency will continue to promote programs to defend human rights and democracy by conducting civic education campaigns to respect rights and their mechanisms of protection.

Liberal Party Candidate Samper Interviewed

PA1205150894

[Editorial Report] Santa Fe de Bogota Emisoras Caracol Network in Spanish at 1230 GMT on 11 May, as part of its "0600 to 0900 Newscast," broadcasts a live 60-minute interview with Colombian Liberal Party presidential candidate Ernesto Samper Pizano by unidentified reporters at the Caracol studios in Santa Fe de Bogota. The interview is moderated by Caracol News Director Dario Arizmendi.

Before the interview gets under way, Arizmendi notes that the newscast was supposed to host a "debate" between Samper and Conservative Party presidential candidate Andres Pastrana on the topics of "peace and drug trafficking," but he adds that Pastrana opted not to

attend. Arizmendi does not give any reason for Pastrana's failure to attend, other than to say that after being invited to the debate, Pastrana sent a letter "to various media directors, proposing a list of topics, the radio and television newscasts to be visited, the duration of each debate, and so on." Arizmendi adds that the day before, 10 May, Pastrana's campaign manager "could not say whether Dr. Andres Pastrana could come to Caracol at this time in the morning."

The interview begins with Liberal Party Candidate Ernesto Samper Pizano replying to a question about the economic and political cost of peace with the guerrilla forces operating in Colombia: "The day we evaluate what violence costs the country, we will then realize that peace is very cheap." Samper agrees there is a "need for peace management" because a great many logistical issues are involved, such as where will the former guerrillas live, how will they earn a living, and what will be done with their property. Samper adds, "Already, many guerrillas are involved in organized crime."

Samper then stresses the need to "support peace through the business sector," noting that as development minister, he arranged some very interesting meetings with businessmen with this goal in mind.

In replying to another question, Samper says guerrillas should be guaranteed minimum subsistence. He continues by saying "everything else" is negotiable, adding that the government is the one to set conditions and that the negotiations must be brief. He adds that it is necessary to draw out the bottom-line conditions required by both the government and the guerrillas before the two sides sit down to negotiate.

On the topic of when the peace process should begin, Samper says: "No deadline should be set, but the process should begin the day after the president is chosen—and I hope it is me—on 30 May."

The topic then shifts to kidnapping, which one reporter describes "as intimately linked to subversion," and he asks Samper how his government intends to deal with this problem. Samper replies that he has supported the work of the Free Country Foundation, adding, "we need more legal regulatory guidelines." He continues: "We must have security organizations that must be committed to relatives of kidnapping victims in order to rescue the victims and return them to safety."

On the subject of the two basic guerrilla proposals—1) land reform and greater assistance for peasants, as demanded by the Revolutionary Armed Forces of Colombia; and 2) a nationalistic oil policy, as demanded by the Army of National Liberation—Samper is asked: "To what degree would your government be willing to give in?"

Samper says the problem with agrarian reform is that "everything has been left half done; about 1 million hectares still need to be distributed."

He adds that Colombia has long-standing oil legislation, adding: "I do not think it is a good idea to change the rules of the game for oil investors overnight. Adjustments can be made, as has recently been the case, so that the amount of royalties are not only proportionate to the size of the well, but in accordance with the well's productivity. Therefore, a higher producing well will earn more money for the government. Nevertheless, in no case whatsoever would I establish laws that disregard the rights of investors."

In terms of land reform, Samper says: "The law also outlines certain ways to capitalize the agriculture and cattle-raising sector. There are many aspects of agrarian reform that specifically deal with land issues. Therefore, there is no reason for me to disagree with you that we, of course, need to return the Agrarian Savings Bank to the peasants and to give all workers in the farm sector new and improved living conditions."

Returning to the subject of dialogue with the guerrillas, Samper says he would entrust the work "to a high commissioner who would have the specific task of establishing all contacts, not only with the guerrillas, but also with civilian society, to create an atmosphere of peace." Asked whether peace is his top priority, Samper replies: "Peace must come hand in hand with security. For the common man on the street, aside from not being mugged, peace may very well mean also having job opportunities." He adds: "This peace must also be achieved within an overall security process, which means improving the security conditions under which many Colombians now live."

The subject then turns to the recent Constitutional Court decision to decriminalize the so-called "personal dose" of drugs, and Samper is asked whether he agrees with the government's position of waiting for the full text of the ruling to be published "next week" before announcing its final position. Samper says: "Yes, but we must also understand that the debate is not just a legal one, but also a political and social debate because the simple decriminalization announcement for personal doses of drugs could begin turning countless sinister wheels in the drug underworld, which would encourage the selling of drugs for personal use to youths at rock-bottom prices."

Liberal Party presidential candidate Ernesto Samper continues by saying he has changed his views on the legalization of drugs because "when I proposed legalizing drugs 15 years ago, the drug business only involved a few peasants who grew marijuana in Santa Marta's Sierra Neveda. At the time, I said: Let us buy out their drug production; let us give them the ability to change their crops, and this will allow us to get out from under the power of drugs. No one took any notice, and we then went from marijuana to coca, from coca to cocaine, and then came drug trafficking, and from drug trafficking we went to narcoterrorism. Obviously, conditions today make legalization totally unviable. It is not that I have changed my position. Instead, the circumstances have changed over the past 15 years, and this is why right now

I have spoken out against decriminalization because people might get the idea that this is some sort of pardon for everything that has taken place over the past 15 years.

"There are, however, very respectable people who continue to work on the legalization idea, for example, Dr. Alvaro Gomez Hurtado, who currently supports Dr. Andres Pastrana. Gomez has not been heard recently on any of these topics. It would be good to know whether he shares the opinions of Dr. Pastrana on this point, or whether he insists on his legalization idea."

Samper is asked whether the government should negotiate with the remaining drug cartels, as well as "how should these drug traffickers be confronted?" Samper says he is "a fanatic believer that drug traffickers should be prosecuted under the law. If the prison terms have to be reviewed, fine. If term-reduction mechanisms need to be separated to prevent the two mechanisms from running in parallel, then this should be done. I fully agree that an immediate review should be instituted. We cannot deny Colombians the right that those who break the law receive a fair trial and a safe jail to serve their time. This is basically what the surrender policy is all about. I will therefore continue to support this policy because I believe we cannot wait for the United States to reduce consumption or wait for Germany to halt the trafficking of chemical precursors to resolve the drug problem."

The discussion then turns to Colombian coffee policy, and Samper is asked, if he were presidet now, what instructions he would give to Finance and Public Credit Minister Rudolf Hommes regarding a hike in coffee prices. Samper replies: "The current domestic price for a pound of coffee is approximately 85 cents, while international prices have already reached $1.25. Therefore, a 5-percent increase would only translate to four cents, which seems very low to me. I believe we need to go much higher. I do not want to mention a figure to avoid being called a populist."

Samper adds: "Even if Dr. Pastrana does not like it, coffee growers have a right to receive a good portion of the prices fetched on the international market. The rest can be set aside for a stabilization fund to cover sluggish periods. It seems to be completely senseless to argue that coffee prices should be frozen to control inflation. Coffee growers, like any other sector of the economy, have the right to benefit from market opening. That is why I maintain, as part of my coffee doctrine, that we need to free coffee from state macroeconomic supervision. Why should the government reach into the pockets of coffee growers each time it needs to reduce inflation? No, if the economy is to be open, then it should be open for everyone."

After Arizmendi urges Samper to give specific examples concerning his coffee policy, Samper replies he would propose two hikes in coffee prices—"one right away, between 10-15 percent, and I would leave an adjustment that they will likely seek from me in September pending." Samper adds: "I prefer to increase coffee prices rather than to adopt Pastrana's proposal to forgive the debt. Forgiving the coffee producers' debt seems to me extremely dangerous. If we begin pardoning debts, as Dr. Pastrana proposes, can you imagine the financial system's collapse?"

Roundup of Electoral Developments

PA1205232894

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 29 May 1994.

A recent poll conducted in 25 cities nationwide between 22 and 26 April by the National Center shows Liberal Party presidential candidate Ernesto Samper leading Conservative Party candidate Andres Pastrana by 7 percent. In the case of a run-off election, Samper will reportedly beat out Pastrana by 53 percent for Samper to 44 percent for Pastrana. During the closing of the Governors' Summit, candidate Pastrana stressed that the state cannot forget its responsibilities for the health of its citizens, and added that the tax base and revenue sources for the various departments must be broadened. (Santa Fe de Bogota EL TIEMPO in Spanish 1 May 94 p 9A)

Pastrana's campaign-coordinator Luis Moreno has indicated Pastrana has always been willing to hold debates. Conservative vice presidential candidate Luis Ramirez said the latest polls indicate Pastrana is on the rise, people are very enthusiastic about Pastrana's campaign. He adds that, regardless of polls, they have always welcomed debates. Antonio Navarro Wolff, candidate for the 19 April Movement, noted that Samper's indecision regarding his participation in debates is worrisome. (Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 10 May 94)

Minister Views Sentence Reduction Policy

94WD0344Z Santa Fe de Bogota EL TIEMPO in Spanish 25 Apr 94 p 8A

[Interview with Justice Minister Andres Gonzalez; place and date not given]

[Text] Minister of Justice Andres Gonzalez Diaz strongly and skillfully defended the new CPP [Criminal Procedures Code], which has been sharply criticized in the United States because it apparently deals very gently with drug traffickers.

Gonzalez said that in the three months it has been in effect, this Code has not yet had time to demonstrate all its benefits: "Among others, it has put an end to the automatic benefits criminals used to get."

In an interview with EL TIEMPO he also said that the excessive legal benefits drug traffickers receive come from old laws, most of which were abolished by the new Criminal Procedures Code.

[EL TIEMPO] Critics of the Criminal Procedures Code still say it is soft on crime and confused.

[Gonzalez] This Code has some fundamental features that nobody has emphasized. It has changed the system of benefits. In the old system there were automatic sentence reductions: Urdinola's attorney showed up and said here is his information, then the judge had to grant an automatic reduction without being able to evaluate the quality of that information.

Now, with the CPP reform, the effects of such information are not automatic. The Prosecutor General's Office can say: we are not interested in that information because it does nothing for us, so we are not going to give a significant sentence reduction.

The prosecutor can now adjust the reduction from one-sixth to two-thirds.

[EL TIEMPO] The maximum sentence for drug trafficking is 12 years; then there are all sorts of reductions for good behavior, education, family visits, etc. This means that the sentences are almost ludicrous, but the Code retains that system.

[Gonzalez] The reduction for good behavior and education is part of the resocialization process for prisoners. That is a good part of the reason why our jails have not exploded like the ones in Brazil, Argentina, and Venezuela. It is because people are studying or working; that is the only way to resocialize prisoners.

The problem is abuses in sentencing. For example, some criminals ask for a sentence reduction, claiming that they work 24 hours a day plus Saturdays and Sundays; that is absurd. Mr. Mejia Sanin (the first drug trafficker to turn himself in), submitted a ridiculous list for work reduction.

We also have to realize that the majority of the sentences, like those for the Ochoas and Urdinola, for example, were not issued under the new Code. If Law 81 (the new CPP) had been in effect for Urdinola's case, he would not have gotten such a light sentence.

[EL TIEMPO] Why?

[Gonzalez] Mr. Urdinola is a person who, for all his crimes, was given 17.5 years in jail, and that was immediately and automatically reduced by 71 months for informing. Now prosecutors can graduate sentence reduction benefits.

We have to realize that a number of laws preceding the Code reform are still being applied; they need a more restrictive interpretation.

One problem is that Law 30 of 1986 establishes automatic sentence reduction benefits for informing. Most of the drug traffickers' attorneys have been using that law because it provides automatic benefits. The legislators must have realized this when it was passed, because of what was going on at that time. Still, there are other legal principles that can be applied to make it more rational, like the principle of proportionality.

[EL TIEMPO] What do you mean?

[Gonzalez] In each case the method used, the person's record, and the circumstances need to be considered. There cannot be a systematic mathematical interpretation. There must be a complete and objective interpretation of the laws.

The prosecutor and the judge must distinguish between different situations. If a person informs on the role played by an employee on his farm, a subordinate, or a minor in the commission of a crime, that cannot produce the same effects as if the farm worker gave information on a major criminal or the head of a criminal organization.

People need to realize that the CPP has totally changed the system of automatic reductions for a system of flexible and discretional reductions.

[EL TIEMPO] If the change was as positive as you say, then what are the problems with the CPP?

[Gonzalez] The problem is that many cases are still being tried with the old system. Law 30 of 1986 provides an automatic reduction which is certainly not appropriate, and that distorts the new Code.

[EL TIEMPO] That law is applied because it has not been repealed, and in Colombia the principle of "favorability" exists.

[Gonzalez] It has been tacitly repealed by Law 81, so it can not continue to be applied. If tomorrow Messrs. X, Y, or Z try to get Law 30 applied, we believe that can not be done.

[EL TIEMPO] Then the judge who applies it can be charged with professional misconduct?

[Gonzalez] We do not have to go that far. The most important thing is for us to say, and that is my goal as minister, that we have a number of old laws still being applied, and in our view this merits reflection on the part of us all—the entire legal community, all of the media—so they will not continue to be applied.

[EL TIEMPO] Why not repeal all that legislation that contradicts the new Code?

[Gonzalez] No, that would do nothing for us. A tacit and an explicit repeal have the same effects, meaning that the old laws can no longer be applied. It means that what must be applied is the new Code.

[EL TIEMPO] With these varied interpretations, what can be done to unify standards?

[Gonzalez] We have to work together with the Prosecutor General's Office, with the Attorney General's Office, to train judges and prosecutors and put a stop to

this and say, wait a minute: legal interpretations granting all sorts of reductions with no basis in law cannot continue to be used.

I also believe we need to call upon all the judges to make a joint stand to fight a very serious problem. The greatest service we could do for criminals is to fight among ourselves; those people would be delighted. I want all of us to work together to support some restrictive interpretation criteria. The Supreme Court of Justice and the courts play a very important role.

[EL TIEMPO] Then Law 30 should not continue to be applied?

[Gonzalez] Law 30 is contrary to the new CPP and so it has [essentially] been repealed. That law provides automatic sentence reductions, and what the new Code contains is flexible and discretional, not automatic reductions.

There is also another law that should not be used as it contradicts the new Code: Law 48 of 1987, which provides a fixed reduction of one-sixth for persons who committed crimes before 1 July 1986.

That law should apply only to crimes committed before July 1986, but sometimes misinterpretations are made. How is it possible, I wonder, for a person who committed a crime covered by Law 48 of 1987, and who then continues committing crimes after that date, to get that benefit? How can a person invoke it by saying: "I committed part of the crime before 1986, and get benefits under that law?

We need a very strict interpretation to avoid applying these regulations indiscriminately. Drug traffickers turn themselves in and say: "I started to commit crimes when I was very young." That sounds like sincerity, but later we may find it was designed to get the sentence reduction benefits offered by that law.

Another factor is also being incorrectly used, and that is related to accumulations of automatic reductions. The former CPP allowed an automatic accumulation for confessions and for early sentencing. That was abolished in the new Code, as two reductions can not be given for the same reason.

All this explains why sentences are so short: the benefits of Law 30 of 1986 are applied, plus the accumulation of reductions for early sentencing and confession in 90 percent of the cases.

[EL TIEMPO] You have discussed the Code's benefits. What are its defects?

[Gonzalez] Obviously, one cannot deny that there is always room for improvement. Perhaps some very specific points should be reviewed, but I believe the fundamental reform the Criminal Code needs is for the maximum ceilings on penalties to be raised.

[EL TIEMPO] You sent a letter to the Prosecutor General listing the parameters the government wanted for the policy of criminals turning themselves in; you asked, for example, that in his confession and information, the person who turns himself in must inform on at least three members of his organization. Why is that not in the Code?

[Gonzalez] Many things are in codes, while others obviously depend on the application in each case. A law is by nature general, not personal. This Code does provide evaluation criteria for confessions.

[EL TIEMPO] People say that attorneys working for drug traffickers "advised" some members of Congress on the new CPP.

[Gonzalez] In each specific case the results of that contact and its possible effects need to be evaluated. In Congress there were some positions that could have supported such interests; most of them were defeated.

[EL TIEMPO] Like what positions?

[Gonzalez] For example, that prior collaboration might be a factor in providing reductions or benefits, in the case of some alleged collaboration by the criminals in prosecuting other cartels or other criminals. That was rejected both by the government and by the Prosecutor General's Office, and Congress helped us there.

[EL TIEMPO] What was the source of such proposals?

[Gonzalez] I could not say exactly the source of such proposals, but what I can tell you is that we could clearly discern proposals that might favor some special interests, and we worked against them.

[EL TIEMPO] Is a formal investigation being conducted?

[Gonzalez] There are groups both in Congress and in the judiciary with the authority to investigate that.

[EL TIEMPO] And are you, as minister, waiting to see what they will say?

[Gonzalez] As minister, I believe we need to do everything we can to clear up this matter.

[EL TIEMPO] Have you formally requested this?

[Gonzalez] I understand this information has started to come out, even at the initiative of some persons connected with those actions.

Paraguay

Defense Vice Minister Replaced for 'Sidestepping' Channels

PY1205214894 Asuncion ULTIMA HORA in Spanish 12 May p 13

[Excerpt] The executive branch has suddenly decided to replace retired General Marcial Samaniego, defense vice minister, for "sidestepping the appropriate bureaucratic channels" in proposing the dispatch of Paraguayan troops to join UN peace missions abroad. The news was confirmed by Defense Minister Hugo Estigarribia. Gen. Cesar Rafael Cramer was installed this morning, replacing Samaniego.

"Regrettably some bureaucratic channels, such as the president of the Republic and the foreign minister, were sidestepped. Gen. Samaniego, in eagerness and good faith, omitted going through these channels and committed the country on his own. The president then replaced him," the defense minister said, in explaining why Decree 3582 was issued.

Samaniego had spoken to the military person responsible for UN peace missions without communicating this to other state authorities. Besides, Samaniego also announced an Armed Forces "social action" plan in the country's conflictive areas, which was understood as a sort of sly and improper military intervention in domestic affairs. [passage omitted]

Brazilian Military Takes Bridge From Police

PY1205123594 Asuncion ABC COLOR in Spanish 12 May 94 p 12

[Unattributed report from the ABC COLOR Regional Bureau]

[Excerpt] Last night, the Brazilian Armed Forces occupied the Foz de Iguazu [Brazil] side of the Friendship Bridge to guarantee the free circulation given the indefinite strike of the Brazilian Federal Police, who have been on strike for more than 30 days. Foz de Iguazu businessmen have lost more than 85 billion guaranies [figure as published] as a result of a drop in the flow of tourists due to the strike. Federal Tax Office inspectors have also joined the strike.

Last night, military forces took control of the Brazilian side of the Friendship Bridge due to the prolonged strike of that country's Federal Police, thus confirming persistent rumors that circulated last night. [passage omitted]

Peru

Economy Minister Returns From European Tour

PY1205231694 Lima Radio Programas del Peru Network in Spanish 1800 GMT 12 May 94

[Text] The Peruvian mission charged with promoting Peru's good image abroad returned to Lima this morning after a successful tour of several European countries. Economy Minsiter Jorge Camet also returned from Europe, where he attended the World Bank consultative meeting in Paris, France.

Confiep [National Confederation of Private Businesses] Chairman Arturo Woodman praised the agreement reached with international financial institutions.

Economy Minister Jorge Camet asserted that the $1.1 billion in aid granted to Peru by the international financial community will be invested primarily in social programs. Upon his return from the World Bank consultative meeting in Paris, Camet said the letter of intent submitted by the Peruvian Government to the IMF reflects the reforms adopted by the executive branch with the objective of curbing inflation.

[Begin recording] [Reporter Walter Samuel Leiva] [words indistinct] are you satisfied and happy with the results obtained at the meeting?

[Camet] Yes, I am satisfied.

[Leiva] How will these funds be invested, sir?

[Camet] There are concessionary and normal loans totalling $850 million that will be used in infrastructure and social programs. We also have $250 million in donations.

[Leiva] What are the terms for these loans?

[Camet] Some of them are concessionary loans and others are normal loans—in addition to the donations I have already mentioned.

[Leiva] In how many installments?

[Camet] Well, this is for the whole of 1994.

[Leiva] What are your comments on the letter of intent that the Peruvian Government has submitted to the IMF?

[Camet] Well, the letter of intent was drafted by the Central Bank and the Economy Ministry, and it reflects the government's economic reform program and the goals we intend to achieve: about a 20 percent inflation rate and a growth in reserves by $150,000, that is, more than $300 billion. [end recording]

Economy Minister Jorge Camet added that the current economic program will remain unchanged. He said there will be no changes because the government intends to continue curbing the inflation rate and eradicating extreme poverty in Peru.

He said the Peruvian business mission's European tour, which ended today, was very positive. The Peruvian mission was headed by Industry Minister Liliana Canale and Peruvian businessmen, among them Confiep Chairman Arturo Woodman.

National Environment Authority Established

PY1105175094 Lima LA REPUBLICA in Spanish 3 May 94 p 8

[Excerpt] Yesterday, Democratic Constituent Congress [CCD] President Jaime Yoshiyama announced the establishment of the National Environment Authority [Autoridad Ambiental Nacional] which will guide and coordinate environment policies.

Yoshiyama also asked developed countries to swap part of the foreign debt for environment protection and measures against poverty.. Yoshiyama said: "A direct relationship exists between poverty, environmental damage, and sustainable development which must be considered in any international relations that are based on solidarity and shared responsibility."

Yoshiyama also asked developed countries to pardon part of the poor countries' foreign debt so as to restore economic well-being and assist development compatible with sustainability.

Yoshiyama made these remarks during a "Sustainable Development and Economic Growth in Ibero-America" entrepreneurial meeting. This meeting was part of the 22d AICO [Ibero-American Association of Chambers of Commerce] executive board meeting between 2 and 4 May.

Yoshiyama, who delivered the main lecture, admitted that human rights, the removal of poverty, tariff agreements, the protection of intellectual property, and the protection of the environment are among the most important and universally relevant issues.

The ruling party congressman emphasized the significance of a common strategy among the regional countries to cope with the problem of universal environment protection.

Yoshiyama also asked for a change in attitudes and practices, specially by developed countries, and the transfer of the technology needed by developing countries to protect their environments. He said he wants costs and benefits of sustainable development to be equally shared at the international level. Yoshiyama wants large-scale education policies to make people aware of the importance of the environmental issue.

He announced that a National Environment Authority would be established within the next few weeks. This National Environment Authority will guide and coordinate environmental policies. Marc Dourojeanni, Inter-American Development Bank environment division chief, hailed this announcement and offered a donation of $2 million toward this National Environment Authority.

Yoshiyama explained that the new Constitution includes, among the human rights, the right to a balanced environment that favors the development of life. He added that the CCD is working on this.

To the surprise and approval of the large number of participants at the AICO meeting, Yoshiyama said: "I want to announce that within the next few weeks the Peruvian Congress will vote on a bill to establish a National Environment Authority." Yoshiyama emphasized: "In response to the concern of public and private organizations, the National Environment Authority will guide and coordinate environment policies and control the sustainable use of our natural resources. It will also guide actions in this area." [passage omitted]

Army Arrests 9 Terrorists in Northern Jungle Region

PY1205184794 Madrid EFE in Spanish 1545 GMT 12 May 94

[Text] Lima, 12 May (EFE)—Today, the Defense Ministry reported the arrest of nine members of the Maoist Shining Path. They were captured during an antisubversive Army operation in the northern Peruvian jungle from 6 to 9 May. Among those arrested are three women and the governor of Punchao village, who tried to bribe Army members to free two of the arrested subversives.

The Defense Ministry communique points out that an Shining Path group occupied Cachicoto settlement on 7 May, murdered a "narcoterrorist," and seized 150 kg of cocaine base and $90,000. These events occurred in Huanuco and San Martin Departments in the northern Peruvian jungle.

'Red Path' Seeks To Gain 'Strategic Balance'

PY1205013594 Lima EXPRESO in Spanish 4 May 94 p A2

[Text] Following orders given about a month ago by Oscar Alberto Ramirez Durand, now known by his followers as "President Feliciano," members of the self-styled "Red Path" dissident Shining Path faction have implemented a plan that seeks to recover their strategic balance.

As is well known, this strategic balance was lost with Abimael Guzman's fall and with the disruption of the leaderships of the central, permanent, and political committees that were in charge of leading the subversive war.

This is the conclusion of a report drafted by intelligence analysts and strategists after talking with Shining Path members at the grassroots and leadership levels, who availed themselves of the Repentance Law and who are now important collaborators in the struggle against narcoterrorism.

Opposed to Gonzalo's [Abimael Guzman's] leadership, "Red Path" is made up of groups that have been acting independently for several years with the support of narcotraffickers located in the coca-growing corridor established in the jungle area going from Amazonas to La Convencion (Cusco), and more recently part of Madre de Dios (Manu).

Based on confessions made by repentant Shining Path members, it has been established that the "Red Path" is striving to reactivate seven areas in the outskirts of Lima that before Guzman's fall were controlled by Shining Path and were considered red areas. Area residents were constantly harassed and did not dare to erase the so-called "people's bulletin boards" (subversive graffiti). And even less to report them, despite knowing who they were.

These areas were El Carmen, Collique, and Ano Nuevo (Comas); the former Bocanegra ranch (Callao); the San Cosme, El Pino, El Agustino (La Victoria), and Canto Grande (San Juan de Lurigancho) hills; Sectors 1 and 4 (Villa El Salvador); Huachipa, Ate-Vitarte (Central Highway); and Villa Maria del Triunfo and San Juan de Miraflores, which form a single bloc. This is where the Red Path faction members want to return.

Repentant Shining Path leaders, who have presented themselves at the 303d Battalion at the Huallaga Front and at other barracks throughout the country, have reported that Ramirez Durand, taking partial advantage of the campaign against the Army in view of alleged human rights violations, is trying to prevent a vast sector of Lima shantytown residents and some peasant communities from identifying themselves with the democratic system of government and the democratic state.

To do that, an effort would be made in those sectors—called the masses by Ramirez Durand—to create a generalized environment of insecurity and fear of the Armed Forces. Therefore, distorted cases of human rights violations have been reported, such as the report that the Army was bombing towns which were in reality a few shacks used by coca growers and drug traffickers as refuge.

He also ordered—we saw that in the last few weeks, the repentant subversives said—the intimidation and murder of popular leaders in the settlements to gradually take over the positions of leadership so as to be able to take control over the population. He also wants to get a number of rural settlements in the Lima area to passively accept the now-called "Red Path," as happened in the past with the Shining Path.

The repentant subversives said Ramirez Durand's recommendations include the reactivation of popular theaters and folk music groups, and the infiltration of work centers, especially in the factories located on the central highway where a few years ago, on orders from Abimael Guzman, anti-Shining Path union leaders and executives were murdered.

In this regard, intelligence sources indicated that the Shining Path members who had infiltrated some factories, and who after Abimael Guzman was captured, have been keeping a low profile, would again become active in planning to take over the unions and create chaos.

According to political analysts, what Ramirez Durand does not seem to understand is that it is only possible to reach a strategic equilibrium before the turning point of the war, and never after. In other words, when the struggle is on its way to victory, and never, as it is happening with the Shining Path, when it is obviously on its way to defeat.

The experts say that no matter how many attacks are carried out by terrorism, they will not frighten the population and will under no circumstances win their support, as, according to the latest surveys made by intelligence circles, the people who migrated from the subversive areas reject the subversive ideology. For example, the recent murder of boxer Carlos Lavalle Gonzales and other leaders has only created greater repudiation of the Shining Path.

In view of a new offensive, intelligence strategists recommend the reinforcement of the self-defense committees in the outskirts of Lima, with the support of the Armed Forces.

The analysts believe that the reinforcement of the urban defense patrols and night watches, and a better rapprochement with political and military authorities, will help reject any maneuver aimed against the democratic system. Now, in contrast with the past, the state and society have shown they are capable of defeating subversion.

Roundup of Economic Reports

PY1205222594

[Editorial Report] The following is a compilation of reports on economic activities monitored through 12 May.

On 21 April, Education Minister Jorge Trelles Montero reported that the World Bank will grant a $270 million credit to the Education Ministry. The money will be used to finance teachers' training programs, and to build schools nationwide. (Lima EL PERUANO in Spanish 22 Apr 94 Political Section p A2)

The Southern Peru Copper Corporation has purchased the ILO copper refinery for $65 million. Company President Charles Preble said they will invest $20.2 million in modernizing the plant in the upcoming three years. (Lima LA REPUBLICA in Spanish 23 Apr 94 p 9)

On 28 April, Energy and Mines Minister Daniel Hokama Tokashiki confirmed that foreign companies will invest more than $300 million in oil exploitation in several parts of the country, especially in the Talara zone, Piura Department. He noted that oil reserves had increased 10 percent, and that production rose from 105,000 to 130,000 barrels of oil per day. He also reported that the Newton Mining Corporation will invest $50 million this year in the exploitation of the second gold reserve in the Maqui Maqui zone, in Cajamarca Department. (Lima EL PERUANO in Spanish 29 Apr 94 p A2)

The Fisheries Ministry reported that fish meal exports expanded from 88 million metric tons in February 1993 to 355 million metric tons in February 1994, while frozen fish exports increased from 600,000 metric tons

to almost 3 million metric tons during the same period. (Lima EXPRESO in Spanish 2 May p A22)

The National Statistics Institute, INEI, reported that the April inflation rate was 1.5 percent, while the cumulated inflation rate was 7.7 percent for the year's first four months and 27.9 percent from May 1993 to April 1994. INEI Director Felix Murillo said the April inflation rate was one of the lowest since December 1977. (Lima LA REPUBLICA in Spanish 3 May 94 p 6)

INEI reported that domestic production grew 8.6 percent in the year's first quarter. Construction registered the highest increase with 27.7 percent; fishing 27.1 percent; mining 3.2 percent; manufactured products 10.5 percent; and agriculture and livestock 8.9 percent. (Lima EL COMERCIO in Spanish 4 May 94 p B12)

Expert: Difference Between Rondas, Self-Defense Groups

94SM0342A Lima LA REPUBLICA in Spanish 5 Mar 94 p 10

["A Farewell to Arms" column by Carlos Tapia: "The Rondas Campesinas and the Self-Defense Committees"]

[Text] A large sector of public opinion is confusing the peasant rondas in the northern part of the country, which appeared in the mid-1970's, with the peasant self-defense committees, formed in the south-central part of the country for defense against terrorist subversion.

The term "rondero" is used indiscriminately to describe two very different phenomena. Gradually, beginning with TV images of peasants, men and women, receiving shot guns, as well as the martial bearing evidenced in military parades, there is a tendency to identify the ronderos as armed peasants prepared to confront terrorists. This distorts the reality.

The northern rondas appeared in 1976 at the initiative of the peasants themselves, to combat cattle theft, and they subsequently broadened their activities to include the resolution of internal disputes. They became an effective, although informal, administrator of peasant justice.

Furthermore, they were formed within the democratic spirit of combating the arbitrariness and corruption expressed by the binomial police-judge that had always been prejudicial to their interests. At times they became a valuable instrument for the mobilization of the peasantry against hoarding and price increases of products from the cities.

There are currently 3,500 rondas, concentrated mostly in the department of Cajamarca and the provinces of Ayabaca, Huancabamba, and Morropon in the department of Piura.

On the other hand, the "armed rondas" of the south-central part of the country, known as "antisubversive civil defense," began to appear in 1983 as a consequence of the need for defense against attacks by Shining Path's platoons and columns.

From the beginning, either voluntarily or due to pressure from the Armed Forces, they had a military organization and purpose. They were obliged to become specialists in defensive "patrolling" or the pursuit of Shining Path platoons and columns. In practice, they learned the tactics of ambush and counterambush.

In 1988 they spread out from Ayacucho—particularly from the Apurimac river valley where they became powerful—to Huancavelica and Satipo province, covering a large area where Shining Path had established itself strategically. During the same period a similar process occurred in the Tulumayo valley, in Concepcion province in the department of Junin, which succeeded in stopping Shining Path and putting it on the defensive in the countryside.

These armed peasant organizations were legally recognized in 1991 and placed under the Armed Forces Joint Command, giving them the title of Self-Defense Committees.

Inexplicably, a supreme decree in January 1993 also imposed military norms and controls on the northern rondas. This serious error should be corrected as soon as possible.

Jailed General Says Military Not Behind Hermoza

94SM0341A Lima LA REPUBLICA [DOMINGO SUPPLEMENT] in Spanish 20 Mar 94 pp 8-10

[Interview with Retired General Jaime Salinas Sedo by Mariella Balbi and Eduardo Guzman at Real Felipe Prison; date not given: "Hermoza Is Afraid of Us"—first paragraph is LA REPUBLICA introduction]

[Text] In the following pages Gen (Ret) Jaime Salinas Sedo states from his cell in Real Felipe Prison that discontent is increasing in the ranks of the Army. The crisis in the barracks, the fears of the military high command, and the prospects looking toward the 1995 elections are the subjects covered here by the constitutionalist military officer. This interview was also broadcast over Radio "Miraflores" during the well-known political program, "Doble Sentido" [Double Meaning].

[LA REPUBLICA] General Salinas, the Army Information Office (OIE) has published a statement in which it is stated that "freedom of information is being improperly used" and that there is a campaign orchestrated by the media to make the Army look like a "violator of human rights linked to the narcotics traffic and an institution with internal problems." What do you think of this?

[Salinas] In the Army there is a policy on the dissemination of information. More than anything else, it is the responsibility of the command to keep officers informed

about military developments. However, in the information bulletin to which you refer there is a marked, political orientation. Unfortunately, its contents are going to contribute to greater divisions between civilians and military personnel because there is a great deal of misinformation in it. It is being said that the press is attacking the Army as an institution. As far as I know, and I follow the news very closely, none of the communications media has attacked the Army. The media have denounced some bad elements within the Army, which is something very different. This document to which you refer not only mentions the Peruvian media but speaks of a national and international campaign against the Army. The truth is that I do not understand this. In my view this is an error. And the principal person responsible in a vertically organized institution like ours is the commanding general of the Army. This document offers nothing good to civilians and military personnel, nor does it contribute to the democratic stability which we all desire so much.

[LA REPUBLICA] Would you say that the high command of the Army feels threatened by news reports?

[Salinas] The prestige of the armed forces has never been as low as it is now. In our view the person responsible for this situation is the commanding general of the Army, not because he has been involved in this or that matter but simply because he holds that position. He should resign, but what is happening? Instead of resigning, he is hiding behind the Army as an institution. He uses it to save his skin. He misinforms the officers, making them think that any attack against him as a person is an attack against the Army. Anyone who has any sense knows that that is not true.

[LA REPUBLICA] Nevertheless, the president and General Hermoza himself state that the Army as an institution supports the commanding general.

[Salinas] That is the version which they wish to sell to the Peruvian people. At present General Hermoza has no support within the Army. Military personnel obey him because hierarchically and in accordance with the Fujimori law he is the commanding general. We have heard, from meetings which General Hermoza has held and from the views expressed by officers on active duty that they are very critical of what General Hermoza has said. I am talking about officers on active duty. That means that the story about support for General Hermoza is a falsehood. He maintains his position at the top of the Army because he holds power, and that provides support for President Fujimori. Look, I am not the only one saying this. Within the Army there is a kind of Gestapo. Any officer who opens his mouth and who expresses an opinion is automatically marked down by that Gestapo. On the other hand, the man who informs on him is going to get a promotion or will be assigned abroad. There is a great deal of fear of speaking one's opinion freely.

[LA REPUBLICA] Then is it impossible to have a change of commanding general?

[Salinas] In the Army, speaking of it as an institution, there is no way in which the commanding general can be removed from office. There would have to be a complaint that he had committed a certain crime, and then the matter could be brought to the attention of the military justice system. As things are now the commanding general comes directly under the authority of the president. He holds a political position. Therefore, any kind of criticism within the Army is regarded as a political attitude and looks as if the intention is to stage a coup d'etat. For that reason General Hermoza is filled with hatred against us and is determined to make sure that we do not get out of prison.

[LA REPUBLICA] Then President Fujimori is not on your side?

[Salinas] I do not think so, because, however much he may be a nontraditional politician, as they say, or that he does not have much experience, he must understand that this is a political problem which is doing a great deal of damage to the image of the country. I am sure that on many occasions he would have liked to resolve this matter, but the anger comes from General Hermoza. He is afraid that if we are out of prison, we could cut the ground out from under him. This is not our intention, but everyone has his own kind of fear. What I can assure you of is that, within the armed forces, most of the officers are in total disagreement with this political manipulation of the Army as an institution, which is doing so much harm to it.

[LA REPUBLICA] Among the things which are doing the most harm to the armed forces are the well-founded accusations that, basically, it is providing support for the narcotics traffic. What is going to happen about this?

[Salinas] The worst mistake which the armed forces made was to become involved in the struggle against the narcotics traffic, because this would corrupt anyone. The power of money is very great and especially so since our officers are very poorly paid. However, in any case the guilty parties must be severely punished.

[LA REPUBLICA] Are those punishments being handed out? General Hermoza has stated that no Army officer is involved in the "Vatican" case. Do you think that this is plausible?

[Salinas] The information which Major Castillo has provided has been corroborated by officers on active duty who have made this known to us. Regarding General Hermoza's statement they have commented that, "Nobody believes him because all of us know that there certainly were officers involved in the narcotics traffic at the time when the 'Vatican' was in the area." They must be punished for the good of the Army as an institution.

[LA REPUBLICA] And why are they being provided with cover, general? Who is protecting them?

[Salinas] I would not say that they are protected. This has come out at a time when the image of the Army as an

institution has seriously deteriorated, and they are trying to make sure that this image does not get worse. In my view that is an error because if cases like that have occurred, it would be better to resolve the problem—once and for all. That is, cutting off a gangrenous leg so that the whole body is not affected. They are trying to hide things, and that makes people have doubts about the Army as an institution.

[LA REPUBLICA] Would you say that the Army has become a political party?

[Salinas] I would not say that. Yes, there is a high ranking, politicized group which is politically manipulating promotions. But the ordinary officer himself is not politicized. He wants to be a worthy professional soldier in the service of the fatherland.

[LA REPUBLICA] Are you afraid that in the next elections the armed forces will participate actively in the election process?

[Salinas] The armed forces have been improperly used in the CCD [Congressional] elections. I think that an attempt to do this will be repeated. However, on the basis of the information which I receive from officers in the Army they are going to oppose that attitude. They are not going to become involved in distributing leaflets and photographs or collecting signatures, as they were required to do in the previous election. The officers as a group are rejecting such an improper use of them. As far as I know, they want the Peruvian people to understand that the armed forces, and the Army in particular, is going to behave in a clean, open, and impartial way. Now, it is probable that the orders have been issued, because General Hermoza is going to want to place the armed forces, and the Army in particular, at the service of President Fujimori.

[LA REPUBLICA] If Fujimori does not win the next elections, could this put the armed forces in a difficult situation?

[Salinas] The armed forces owe their loyalty to the government elected democratically by the people and not to President Fujimori. Undoubtedly, within the armed forces, there are people who, because they have committed themselves politically, have gone beyond the limits of their duties. The next government will see what punishments apply to them.

[LA REPUBLICA] Do you think that this will create a tense situation?

[Salinas] Certainly, that faction in the Army will try to do what it can. Fujimori cannot be blamed. However, those who know that he is at fault are going to join together. Nevertheless, I think that the Army as an institution is not going to allow these manipulations to continue merely to save the skins of two or three people who have only done harm to the Army. However much that faction may wish to keep itself in power at all cost, come what may, the officers are not going to support them.

[LA REPUBLICA] Although the candidacy of Javier Perez de Cuellar has not yet been decided, the political parties are not much prepared to join in getting behind him. How do you see the prospects for this?

[Salinas] For me it is a matter of concern that the election problem has not been resolved and that Congress is postponing debate until April [1994]. This is just a delaying action. I do not understand how there can be people who believe that all of that is simply the result of some kind of real, democratic game. In fact, it is a carefully planned game to ensure that the opposition has the least possible time to prepare itself for the elections of 1995.

[LA REPUBLICA] Do you think that the opposition is poorly prepared because of its lack of decision and not because of the problem of the elections law?

[Salinas] There is a need for the leaders of the opposition to get together and reach agreement. My concern, and I believe that it is also yours, is that they are letting a lot of time to go by before they define their positions. There can be a single candidate or three or four opposition candidates. There can be a thousand solutions to this problem. What is needed is for the political leaders to sit down right now and adopt a strategy.

[LA REPUBLICA] Is it a matter of no concern as to whether there is one or several candidates?

[Salinas] Look, I have not been a politician but a military officer. I am involved in politics because I am in prison. However, I think that if the opposition disperses its forces, it will be more difficult to face up to Fujimori, because he is going to use all of the resources of the state to be reelected. If wasps attack me one a minute, I will continue to kill them with a fly swatter. But if a thousand wasps attack me at the same time, I am dead. In the Army that is called the principle of mass. You have to use mass in the right place and at the right time. It seems to me that a single opposition candidate would be better, but a single program would be worth more than that. You have to reach agreement on a minimum program which must be respected by all political groups. And once everyone believes that it makes no difference who is the candidate, because that program is going to be followed, only then should we decide on a specific candidate.

[LA REPUBLICA] Could you be that candidate, General Salinas, as Javier Valle Riestra has stated?

[Salinas] I am a prisoner in jail. I can only show my face behind the bars of my cell. No, that is out of the question. The person who should accept that challenge is someone who is free to move around, who can reach the people and explain to them what real, democratic choices they have in confronting the dictatorship. As far as I am concerned, a political decision has been made

that I will not get out of here until after the elections. I have no ambition, nor do I wish to be a candidate. But even if I wanted it, I would simply be prevented from being a candidate.

[LA REPUBLICA] Are the civic movements which are appearing in the provinces and here in Lima the nucleus of the future political party which you could lead within an opposition coalition?

[Salinas] They have not been organized with that in mind. They are very far from politics. They have been organized to demand freedom for us officers who are unjustly in prison. They will close down as we are given our freedom. The solution for the eight officers who are with me could be facilitated with this type of pressure. This would not apply to me, personally.

[LA REPUBLICA] Why do you say that?

[Salinas] There is a particular kind of anger against me. The signatures which are being collected, calling for my release, are from all sectors and political parties.

[LA REPUBLICA] Finally, General Cisneros has stated that coups d'etat are not out of the question and that another Sergeant Huapaya could emerge. What do you think?

[Salinas] Our history is marked by a series of coups d'etat and democratic springtimes of very short duration. However, increasingly the armed forces throughout the world know that they are in the service of their country and not of a government. I would say that a coup d'etat is out of the question.

Ex-Economy Minister: 'Neoliberal' Policy Impoverishes

94SM0342B Lima LA REPUBLICA in Spanish 30 Mar 94 p 4

[Unattributed article]

[Text] Ex-Minister of the Economy Gustavo Saberbein, after participating in an event organized by the APRA [American Popular Revolutionary Alliance] party in Arequipa, told the press that the neoliberal policies of the Fujimori government have led to the impoverishment of most Peruvians.

Saberbein said that the government cannot escape its responsibility in this regard, because it is the government's policies that have caused the number of Peruvians who live in conditions of acute poverty to increase from 7 million in July 1990 to 12 million at present.

The ex-minister said that after three and a half years of the current government, production continues depressed, unemployment is overwhelming, and wages are extremely low, as a result of which Peru recently was declared by the FAO [UN Food and Agricultural Organization] one of the worst fed countries in the world, along with Haiti, Afghanistan, Burundi, and other extremely poor African countries.

Saberbein claimed that today in Peru, people are eating less, working less, and producing less than during the two previous democratic administrations. The social costs paid so far to reduce inflation, he said, are much greater than necessary, due to defects in the government's policies.

He said that farmers and peasants have been abandoned by the government, with the reduction in agricultural credit, the lack of technical assistance and massive imports of foodstuffs. Agricultural workers today are earning 50 percent less than in mid-1990, he added, saying that this is why they voted "no" so overwhelmingly.

Saberbein said that the government's policies have also placed industry at a disadvantage in competing with foreign producers, due to serious delays in foreign exchange transactions, lack of credit, the high cost of energy, and payment of antitechnological taxes.

He said that the government is wrong to think that foreign investment can replace domestic investment and take charge of our development. He maintained that no country has developed by following that principle, as development in all countries has been essentially the result of domestic investment.

Saberbein stated that, to strengthen the fight against inflation and increase domestic investment, current economic policy must be corrected so as to create favorable conditions for producers and workers, which would make possible better wages and more jobs through export promotion and sustained growth in production for the domestic market.

He said that the government's extremely liberal policies are not the solution that Peru needs. There are other alternatives that will correct yesterday's and today's mistakes. This is why, Saberbein said, the APRA has been working intensively to develop its program, to be able to offer the country before long a better alternative to the current government.

Saberbein explained that, as part of this activity, during the past 60 days the APRA has conducted five regional Program Sessions, one of which was that held this weekend in Arequipa, with the participation of leaders and activists from the departments and provinces in the southern part of the country. The event was opened by Engineer Javier Tantalean, president of the National Planning Commission of the PAP [Aprista Party of Peru], and was adjourned by ex-Deputy Carlos Roca, deputy secretary general of the APRA.

Uruguay

Survey: Sanguinetti Leading Presidential Race

PY1305010494

[Editorial Report] Montevideo EL PAIS in Spanish on 8 May publishes on pages 6-7 a 1,300-word unattributed report on the latest survey taken on Uruguay's presidential race.

The report says that the survey was conducted by CIFRA/ Gonzalez, Raga y Associados during the third week of April, and that 1,414 individuals of 18 years of age or more were interviewed nationwide for this purpose.

Regarding support for political parties, the report says that 30 percent of those questioned prefer the Colorado Party, 24 percent prefer the Broad Front, 21 percent prefer the National Party, 3 percent the New Space, and 22 percent are still undecided.

The report says that 81 percent of Colorado Party followers support Julio Maria Sanguinetti, 7 percent support Jorge Batlle, and 6 percent support former President Pacheco Areco.

In the Broad Front 71 percent of coalition followers support Montevideo Mayor Tabare Vazquez, while 16 percent support Danilo Astori and 7 percent support Liber Seregni.

In the National Party 29 percent of party followers support former Interior Minister Juan Andres Ramirez, 19 percent support Senator Carlos Julio Pereyra, 12 percent support Alberto Volonte, and 10 percent support Gonzalo Aguirre.

The report also says that 51 percent of the population disapprove of the president's performance, while only 25 percent approve of it. The report adds that 44 percent of those consulted disapprove of the performance of Congress, while only 10 percent approve of it.

In Montevideo, the Broad Front continues as the favorite political association. A total of 31 percent of those consulted support the Broad Front, 27 percent support the Colorado Party, while 16 percent support the National Party.

In the interior 33 percent of those interviewed support the Colorado Party, 25 percent support the National Party, and 18 percent support the Broad Front.

Minister Resigns To Enter Durazno Mayoral Race

PY1305031594 Madrid EFE in Spanish 2221 GMT 12 May 94

[Text] Montevideo, 12 May (EFE)—Uruguayan Interior Minister Raul Iturria tendered his resignation today so as to be able to devote himself to electoral activities and run for the post of mayor of Durazno, 196 km north of Montevideo.

Iturria was elected Durazno mayor twice. He resigned as Durazno mayor late last year to become interior minister, replacing Juan Andres Ramirez, who will be the ruling party's candidate to replace President Luis Alberto Lacalle.

Iturria said he would remain in his post until Lacalle appoints his replacement.

The Interior Ministry will control domestic security and guarantee the normal development of the elections scheduled for 29 November.

Roundup of Economic Reports

PY1205143794

[Editorial Report] The following is a compilation of reports on economic activities monitored through 12 May:

The National Statistics Institute, INE, has reported that the average income of Montevideo households increased 11 percent in real terms in the first quarter of 1994 compared with the corresponding period last year. It totals 5,215 pesos ($1,144) free of rent. The ceiling for the lower income bracket was 2,713 pesos ($595) while the floor for the higher income bracket was 8,515 ($1,868). The INE further reported that salaries in the private sector grew 1.8 percent in real terms in March while those in the public sector declined 1.6 percent in the same period. The average wage index grew 9.9 percent in the first quarter, representing a 1.9 percent increase in real terms. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 28 Apr 94 p 10)

The Central Bank disclosed on 29 April that wholesale prices rose 1 percent in April, which represents a 32.1 percent increase over the last 12 months. The upward trend of the wholesale price index continued in the first quarter of the year, increasing 8.2 percent compared with 7.4 percent in the corresponding period last year. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 2 May 94 p 9)

Venezuela

Envoy to Washington Nominee on Increasing Ties

PA1205164094 Caracas EL GLOBO in Spanish 11 May 94 p 8

[Report by Enelcys Calderon]

[Text] "To increase economic relations with the United States," for the purpose of "opening new paths for future ties," with Venezuela is one of the objectives of Ambassador Pedro Luis Echeverria. On Tuesday he appeared before the Senate's Foreign Relations Committee for approval of his designation as Venezuelan ambassador to the U.S.

The future ambassador explained relations between Venezuela and the United States are of a broad and diverse

nature. One of the major elements of relations is the economic relationship. This economic relationship is evidenced by the export of energy products and nontraditional exports such as those manufactured by the state's basic enterprises, as well as investments by Venezuela and the U.S. in each other's economies.

Regarding the proposal that the envoy in Washington also hold the post of ambassador to the OAS and other international organizations with headquarters in that city, Echeverria replied it is worth considering. "I think the OAS will undertake major tasks in the coming years. It would be a great amount of work, but I think with good organization a well-structured embassy could handle those commitments in the future."

Although he supports the proposal to improve the expenditure structure abroad, Echeverria feels that under the current circumstances that cannot be done because the topics to be discussed in the OAS in the immediate future require the active presence of an ambassador.

Bank President on Parallel Currency Market

PA1205232594 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 10 May 94

[From "The National Newscast"]

[Text] Antonio Casas Gonzalez, president of the Venezuelan Central Bank, has pointed out that the existence of a parallel currency market in dollars cannot be avoided given that demand is greater than supply. The Central Bank president made this statement when he appeared before the Chamber of Deputies Economy Committee.

[Begin Casas recording] The parallel market exists because the demand is greater than supply. This is a phenomenon that occurs in every case where there is a [word indistinct] system. We seek to converge these [passage indistinct] there is no reason to mistrust the currency nor this nation's economic future. We therefore hope to unify the exchange rate soon in a free market. We cannot control the market because it is free. We have not placed controls on the exchange rate. What we have done is exploit the currency. [end recording]

Finance Minister Julio Sosa Rodriguez noted the Executive Branch's concern with the parallel market that has evolved as a result of the public bidding on dollars carried out by the Venezuelan Central Bank. In this regard, the minister said that some measures [words indistinct]. Sosa Rodriguez said that the economic cabinet today analyzed the estimates for the 1995 budget.

Transport Minister Denies Subsidy Elimination

PA1305000894 Caracas Radio Nacional de Venezuela Canal Clasico Network in Spanish 2200 GMT 11 May 94

[Text] Cesar Quintino Rosales, minister of transport and communications, has reiterated emphatically that student fares are fully valid. He added that the subsidy granted to transportation workers to guarantee this benefit will be maintained to support students.

When leaving the Council of Ministers, the minister of transport and communications denied a newspaper report published in a Caracas daily on an alleged elimination of the subsidy.

[Begin Quintino Rosales recording] In response to a report published in last Tuesday's press regarding an alleged elimination of the subsidy to student fares, the Ministry of Transport and Communication expressed emphatically the following:

The subsidy to student fare will be maintained as an incentive to support students. With this declaration, the government ratifies and maintains firmly the commitment signed last March to preserve the current system until the last day of July, and later replace it by a form of payment more transparent, equitable, and clear.

Additionally, we state our strong opposition to blackmail and illegal measures of coercion, violence, and public order alterations, which result in loss of life among our youths. [end recording]

Meanwhile, given the surprising announcement of a new transportation strike by the Single Union of Independent Vehicles for next Monday, the faction of councilmen of the Social Christian Party, Copei, asked the leaders of said union to reflect on the consequences of the strike. We consider, Councilman Moises Benaim said, that the situation of the country demands greater tactfulness at the time of making decisions, such as leaving Caracas once more without transportation, following an action in which the population displayed their civic behavior. People could react negatively if they are pressured and made to suffer by leaving them without service, he added.

[words indistinct] a Chamber of Deputies Financial Commission led by Legislator Gonzalo Perez has appointed a subcommission to begin an investigation on the 50-percent discount on the student fare. The announcement was made by the very deputy, in statements to our reporter Vinicio Sanchez.

[Begin Perez recording] Engineer (Maya Ortega) and Carlos Sindoni have today come to the subcommission I preside to ratify their report. These former officials of the Ministry of Transport and Communications, who have to do with the directorate created to subsidize transportation for students, have ratified the Ministry of Transport and Communications has made timely payments for many years to transportation workers not offering this service. They stated they presented their report to the Rafael Iribarren, former deputy minister of transportation and communication, to whom they presented 12 folders. Those 12 folders were requested by the Financial Commission and they have not been forwarded by the Ministry of Transport and Communications.

They also expressed Eng. Iribarren's report on student subsidy is a gimmick, adding he has acted irresponsibly. The former officials noted Iribarren dismantled the operating structure of this subsidy at the Ministry of Transport and Communications, adding this is why today there are no controls. We will process all these reports, and next week we will talk with Eng. Rafael Iribarren to hear his account of the events. [end recording]

Nation's Most Important Cities Militarized

PA1205175094 Caracas Union Radio Network in Spanish 1200 GMT 12 May 94

[From the "Union Radio News" newscast]

[Text] The government has decided to militarize the nation's most important cities to control the destabilizing events that have intensified during the past few days. Education Minister Antonio Luis Cardenas, in his report, said leaders of these actions have established strong holds in high school buildings, using students as cannon fodder to disrupt public order.

The minister assured that the police officer who shot student German Sotillo during disturbances at the Fermin Toro school, had acted with premeditation. Sotillo died last week. After the police officer was arrested, a bullet of the same caliber used to kill the youngster, was found hidden inside one of his socks. Faced with this fact, the education minister asked: Who is behind this officer? Or did the hairy hand [mano peluda]—many times mentioned by the interior minister—pull the trigger.

The executive cabinet informs that a Military Intelligence Division Directorate report indicates there is a destabilizing plan that would be initiated through disturbances and would be instigated by—among others—hooded individuals.

[Begin Cardenas recording] We are discussing this today; it appears there is a destabilizing plan. The nation has to decide what we want to do. Do we want to keep the current government that is struggling against corruption, that is struggling for stability and is struggling to reorient this nation, or are we going to return to corruption and the disaster we had before? Or do we want a dictatorship? [end recording]

To conclude, Minister Antonio Luis Cardenas called on parents and student representatives to come out and defend the government-run high schools that are being used by subversives, while he urged the student not be deceived by those who are seeking the nation's destabilization.

Witnesses Say Police Shot 3 Students at Protest

PA1205163894 Caracas Union Radio Network in Spanish 1200 GMT 12 May 94

[From the "Union Radio News" newscast]

[Text] For the third straight day, students and police clashed in Caracas. The clashes left three injured and more than 30 others arrested. On 11 May, a long day of protest started in the early morning hours, specifically at the Francisco Fajardo School located in U.V. Siete de Caricuoa. The day of protest left three students injured, as well as 30 arrested by metropolitan police agents.

At the Francisco Fajardo School on Caricuoa, three students were wounded. One of these students—Marvin Uzcategui—was shot in the stomach; Juan Carlos Vivas, a 15-year-old student, was shot in the ribs; and Guillermo Useche got a shot in the arm. According to witnesses, the shots were fired by Metropolitan Police deployed along the main streets of the area known as U.V. Siete de Caricuoa, who opened fire on the protesters.

Nevertheless, General Orlando Henandez Villega, the commander of the Metropolitan Police, categorically denied these reports.

[Begin Hernandez recording] I want to reiterate what I said previously. The Metropolitan Police are not using firearms to quell the demonstrations. Clear proof of this is that, if firearms had been used at Francisco Fajardo School, there would have been wounded students. Instead, the wounded included a five-year-old who was not demonstrating, as well as a 15-year-old from a neighborhood next to the school. Apparently, there were clashes with criminals or shots were fired in the area, resulting in these people being wounded. [end recording]

Despite General Orlando Hernandez Guillen's version of what happened, it was unofficially learned that, according to officers of the Technical Judicial Police's Homicide Division, police officers opened fire with .38 caliber weapons on students protesting the hike in student bus fares.

Violent demonstrations also were reported at other schools, such as Fermin Toro in El Silencio; Luis Espelozin; Miguel Antonio Carela on Sucre Ave.; and Luis Blanco in Propatria, where two police officers were wounded. Also, in the wake of disturbances at the Jose Felix Ribas School, which is located on the main road in Dos Caminos, a store was looted. There also were disturbances reported at the Luis Caballero Mejia Politechnical Institute in La Yaguara, at the Central University of Venezuela, the Instituto Pedagogico of Paraiso, and the Campo Rico Technical School in El Marquez.

Officers from the Metropolitan Police and the National Guard's Urban Security Brigade continue to be deployed throughout the city in an attempt to control all of these outbreaks of violence.

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